VISHWARAJ SUGAR INDUSTRIES LIMITED

Vishwaraj Sugar Industries Limited (**"Company"** or **"Issuer"**) was incorporated as a public limited company under the Companies Act, 1956 in the name of Vishwanath Sugars Limited vide Certificate of Incorporation dated May 02, 1995 with the Registrar of Companies ("**RoC**"), Bangalore bearing Registration Number – 08/17730. Our Company was granted the Certificate of Commencement of Business by the RoC, Bangalore on December 21, 1999. The name of our Company was subsequently changed to Vishwanath Sugar and Steel Industries Limited and a Fresh Certificate of Incorporation dated December 28, 2010 was issued by the Registrar of Companies, Bangalore. The name of our Company was further changed to Vishwaraj Sugar Industries Limited vide Certificate of Incorporation dated November 29, 2012 granted by the Registrar of Companies, Bangalore. The corporate identification number of our Company is L85110KA1995PLC017730.

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305, Karnataka, India; **Telephone:** +91 – 8333 – 251251; **Facsimile:** +91 – 8333 – 251323; **E-mail:** info@vsil.co.in; **Website:** www.vsil.co.in; **Contact Person:** Ms. Priya Manoj Dedhia, Company Secretary and Compliance Officer;
Corporate Identification Number: L85110KA1995PLC017730

OUR PROMOTERS - MR. NIKHIL UMESH KATTI, MS. SNEHA NITHIN DEV, MR. KUSH RAMESH KATTI, MR. LAVA RAMESH KATTI, MS. JAYASHREE RAMESH KATTI, MS. SHEELA UMESH KATTI AND MR. RAMESH VISHWANATH KATTI

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF COMPANY ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS OR FRAUDULENT BORROWER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹2.00 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 12,500 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•] (THE ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "*TERMS OF THE ISSUE*" ON PAGE 176 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the chapter titled "*Risk Factors*" on page 19 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received 'in-principle' approval from **BSE and NSE** for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●] and [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
CORPORATE CAPITAL VENTURES PRIVATE LIMITED B-1/E-13 Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044, India **Telephone:** + 91 – 11 - 41824066 **E-mail:** rights@ccvindia.com **Investor grievance:** investor@ccvindia.com **Website:** www.ccvindia.com **Contact Person:** Mrs. Harpreet Parashar **SEBI Registration Number:** INM000012276 **Validity of Registration:** Permanent	**BIGSHARE SERVICES LIMITED** Office No. S6- 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093, India. **Tel**: +91 – 22 – 6263 8200/22 **Email**: rightsissue@bigshareonline.com **Investor Grievance Email**: investor@bigshareonline.com **Website**: www.bigshareonline.com **SEBI Registration No**.: INR000001385 **Contact Person**: Mr. Vijay Surana **Validity of Registration:** Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

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

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

Provided that terms used in the chapters titled "Industry Overview", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Special Tax Benefits", "Outstanding Litigation and Defaults" and "Issue Information" on pages 49, 17, 84, 45, 165 and *176 respectively of this Draft Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

Company Related Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer" or "VSIL"	Vishwaraj Sugar Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Bellad Bagewadi, Taluka Hukkeri, Belgaum – 591 305, Karnataka, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"Annual Audited Financial Statements"	The audited financial statements of our Company for the year ended March 31, 2022 prepared in accordance with IND AS which comprises the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
"Articles" / "Articles of Association" / "AoA"	Articles / Articles of Association of our Company, as amended from time to time.
"Audit Committee"	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Boardof India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013.
"Auditor"/ "Statutory Auditor"/ "Peer Review Auditor"	Statutory and peer review auditor of our Company, namely M/s P.G. Ghali & Co. Chartered Accountants.
"Board"/ "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof.
"Chief Financial Officer /CFO"	Sheshagiri Hanumantarao Kulkarni, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer"	Priya Manoj Dedhia, the Company Secretary and the Compliance Officer of our Company.
"Corporate Social Responsibility Committee/ CSRCommittee"	The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see "*Our Management and Organizational Structure*" on page 80 of this Draft Letter of Offer.
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Equity Shareholder"	A holder of Equity Shares
"Equity Shares"	Equity shares of our Company of face value of ₹ 2.00 each.
"Executive Directors"	Executive Directors of our Company.
"Independent Director(s)"	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
"Key Management Personnel" / "KMP"	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled "*Our Management and Organizational Structure – Key Managerial Personnel*" on page 82 of this Draft Letter of Offer.

"Limited Reviewed Financial Information" or "Limited Reviewed Financial Statements"	The limited reviewed unaudited financial results dated February 9, 2023 for the nine months periods ended December 31, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see "*Financial Information*" on page 84 of this Draft Letter of Offer.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
"Memorandum of Association" / "MoA"	Memorandum of Association of our Company, as amended from time to time.
"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.
"Non-Executive and Independent Director"	Non-Executive and Independent Directors of our Company, unless otherwise specified.
"Non-executive Directors"	Non-executive Directors of our Company.
"Promoter(s)"	The promoters of our Company, namely, Mr. Nikhil Umesh Katti, Ms. Sneha Nithin Dev, Mr. Kush Ramesh Katti, Mr. Lava Ramesh Katti, Ms. Jayashree Ramesh Katti, Ms. Sheela Umesh Katti and Mr. Ramesh Vishwanath Katti.
"Promoter Group"	Individuals forming part of promoter and promoter group in accordance with SEBI ICDR Regulations.
"Registered Office"	The Registered Office of our Company located at Bellad Bagewadi, Taluk Hukkeri District, Belgaum-591305, Karnataka, India
"Registrar of Companies"/ "RoC"	Registrar of Companies, Karnataka, having its office at 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Banglore-560034, Karnataka.
"Shareholders/ Equity Shareholders"	The Equity Shareholders of our Company, 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.

Issue Related Terms

Term	Description
2009 ASBA Circular, 2011 ASBA Circular, 2013 ASBA Circular, 2020 ASBA Circular (Collectively called "ASBA Circulars)	The SEBI circular SEBI/CFD /DIL/ASBA/1/2009/30/12 dated December 30, 2009 The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, The SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, The SEBI circular SEBI/HO/CFD/DIL/1/CIR/238/2020 dated December 08, 2020
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respectto the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who hasbeen 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) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application forthe Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.

Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including onlineapplication form available for submission of application at R-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for inthe Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to makean Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plainpaper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.
Composite Application Form (CAF)	The application form used by eligible Equity Shareholders and renouncee(s), if any, to make an application for the issue and allotment of the Equity Shares in the Issue
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who would request conversion of demat Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLOF/DLOF	This draft letter of offer dated February 27, 2023 filed with SEBI and the Stock Exchanges.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being State Bank of India.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see chapter titled "*Notice to Investors*" on page 11 of this Draft Letter of Offer.

Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 2 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹12,500 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Agreement	Issue Agreement dated February 23, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Material	Collectively, the Draft Letter of offer, Letter of Offer, Abridged Letter of Offer, the Application Form and Rights Entitlement Letter, other applicable Issue material.
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to Rs. 12,500 Lakhs
Lead Manager	Corporate Capital Ventures Private Limited
Letter of Offer/LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI.
Monitoring Agency	Monitoring Agency appointed for the purpose of the Issue namely ICRA Limited
Monitoring Agency Agreement	Agreement dated February 07, 2023 entered into between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see chapter titled *"Objects of the Issue"* on page 40 of this Draft Letter of Offer.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], [●].
Project	Establishment of 150 KLPD molasses-based distillery at Bellad Bagewadi, Karnataka.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
R-WAP	Registrar's web-based application platform accessible at www.bigshareonline.com instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, for accessing/submitting online Application Forms by resident Investors.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being State Bank of India
"Registrar to the Issue" /"Registrar"	Bigshare Services Private Limited
Registrar Agreement	Agreement dated January 23, 2023 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement 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.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than Rs. 200,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement i.e. [•].
Rights Entitlement	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 demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, as amended from time to time.
Self-Certified SyndicateBanks" or "SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock Exchange where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Dateand the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
AAY	Antyodaya Anna Yojana
Acres	One Acre equals 4046.86 Square Meters
Bagasse	Fibrous pulpy material left over after sugarcane is extracted for its juice

CACP	Commission for Agricultural Costs and Prices
Cane Area Reservation	Every designated mill is obligated to purchase from cane farmers within the cane reservation area, and conversely, farmers are bound to sell to the mill.
Chiller Compressing	Process of removing heat from a liquid via a vapour–compression or absorption refrigeration cycle
Co-generation	Simultaneous production of heat and electricity
Crushing Season	The period as set by the state government each year during which sugarcane crushing should take place.
Crystallization	Nucleation and growth of crystals.
DCS	Distributed Control System
DGFT	Director General of Foreign Trade
EMDEs	Emerging Markets and Developing Economies
ENA	Extra Neutral Alcohol
ESP	Electro Static Precipitator
FDI	Foreign Direct Investment
FMCG	Fast Moving Consumer Goods
FRP	Fair and Remunerative Price
G20	G20 is an international forum for governments and central bank governors
GDP	Gross Domestic Product
GST	Goods and Service Tax
Gunthas	40 Gunthas is equal to 1 Acre
GW	Giga Watt
HESCOM	Hubli Electricity Supply Company Limited
IMARC	Leading Market Research Company
KL	Kilo Litre
KLPD	Kilo Litre per Day
KSBCL	Karnataka State Beverages Company Limited
KSPCB	Karnataka State Pollution Control Board
KWh	Kilo Watt per Hour
Ltrs.	Litre / Litres
Malt	Malt is germinated cereal grains that have been dried in a process known as "malting"
Mash	Mixture of alcohol, water and bacteria used for manufacture of Vinegar
Massecuite	The mixture of crystals and syrup resulting from the crystallization process.
MH	Million Hectares
Minimum Distance Criteria	Under the Sugarcane Control Order, the central government has prescribed a minimum radial distance of 15 km between any two sugar mills.
MMT	Million Metric Tonnes
Molasses	The syrup separated from the crystals by Centrifuging used for producing alcohol
MT	Metric Tonnes
MW	Mega Watt
MY	Marketing Year
NFSA	National Food Security Act, 2013
OECD	Organisation for Economic Co-operation and Development
PCB	Pollution Control Board
Press-Mud	Industrial Waste available from sugar mills
QA / QC	Quality Assurance / Quality Control
RES (MNRE)	Renewable Energy Sources (Ministry of New and Renewable Energy)
SMP	Statutory Minimum Price
SPV	Special Purpose Vehicle
TCD	Tonnes Crushed per Day
TPDS	Targeted Public Distribution System
TPH	Tonnes per Hour
Water Scrubbing	Process of biogas upgradation
WEO	World Economic Outlook

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./ Rupees / INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors / Category I FPIs	FPIs who are registered with SEBI as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CAO	Chief Administrative Officer
CFO	Chief Financial Officer
CIBIL	TransUnion Credit Information Bureau (India) Limited
CIN	Company Identification Number
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
CS	Company Secretary
CSR	Corporate Social Responsibility
CST	Central Sales Tax
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's identification
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EOGM / EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
Euro / €	Euro, the official currency of the European Union.
FCNR Account	Foreign Currency Non-Resident Account established in accordance with the FEMA

FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended.
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	The Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods & Services Tax
HNI	High Networth Individuals
HUF	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency and Bankruptcy Code, 2016	The Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
IT	Information Technology
I. T. Act / Income Tax Act	Income Tax Act, 1961, as amended from time to time
I. T. Department	Income Tax Department, GoI.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
LIBOR	London Interbank Offered Rate
Limited Liability Partnership or LLP	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic ink character recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value

NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
No.	Number
NoC	No Objection Certificate
NR or Non-Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and FII
NRE Account	Non-Resident External Account
NRIs	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PCB	Pollution Control Board
QA	Quality Assurance
QC	Quality Check / Control
R & D	Research and Development
RBI	The Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable
SEBI LODR Regulations, 2015/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended from time to time.
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source

UPI	Unified Payment Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
VAT	Value added tax
VCFs / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w. r. t.	With Respect To
Y-O-Y	Year-over-Year

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of offer, Abridged Letter of offer, CAF, Rights Entitlement Letter and the issue of the Rights Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons, into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF and Rights Entitlement Letter may come, are required to inform themselves about the same 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/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter, shall not be sent the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter . 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 Letter of Offer was filed with SEBI for dissemination purpose. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer ,the CAF and Rights Entitlement Letter will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer ,the CAF and Rights Entitlement Letter must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer ,the CAF and Rights Entitlement Letter is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on our behalf, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/Abridged Letter of Offer and the CAF 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 that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS.

ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, the CAF and Rights Entitlement Letter. Any representation to the contrary is a criminal offence in the United States. The rights and securities of our Company, including the Rights Equity Shares or Rights Entitlements have not been and will not be registered under the United States Securities Act, 1933, as amended (Securities Act), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (United States or U.S.) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S), except in a transaction exempt from the registration requirements of the Securities Act.

The rights referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer ,the CAF and Rights Entitlement Letter relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer , the CAF and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF 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 the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares or Rights Entitlements and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address.

Any person who acquires rights and the Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Rights Entitlements may not be transferred or sold to any person in the United States.
The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are 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 Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law
- or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see "*Financial Information*" on page 84 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Financial Statements of our Company have been prepared in accordance with Ind AS and recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see chapter titled "*Financial Information*" on page 84 of this Draft Letter of Offer.

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

Currency and Units of Presentation

All references to:

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

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

Exchange Rates

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

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

Currency	Exchange rate as on			
	December 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
1 USD	82.78	75.80	73.53	75.38
1 Euro	88.14	84.65	86.10	83.04

(Source: RBI reference rate)

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in chapter titled "*Risk Factors*" on page 19 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD - LOOKING STATEMENTS

All statements contained in this Draft Letter of Offer that are not statements of historical facts shall constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer chapter titled "*Risk Factors*" on page 19 of this Draft Letter of Offer. Forward looking statements reflect views as of the date of this Draft Letter of Offer and are not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company/our Directors nor the Lead Manager, nor any of its affiliates/advisers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Draft Letter of Offer, and should be read in conjunction with and is qualified by more detailed information appearing in this Draft Letter of Offer, including the chapters titled "*Risk Factors*", "*The Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Defaults*" and "*Terms of the Issue*" on pages 19, 32, 38, 40, 57, 49, 165 and 176 respectively of this Draft Letter of Offer.

1. Summary of Business

We are an integrated sugar and other allied products manufacturing company operating from Belgaum District in the State of Karnataka, which is designated as one of the "High Recovery Zones" for sugar production by Government of India. We operate a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar, we also manufacture other allied products like Rectified Spirits, Extra-Neutral Spirits, Vinegar, Compost, Carbon dioxide (CO2), etc. and are further engaged in the generation of Power for captive consumption as well as external sale. Our business can hence be broken up into four main segments namely Sugar, Co-Generation, Distillery and Vinegar.

In the year 2001, we commenced operations of manufacture of Distillery products such as Ethanol, Rectified Spirit and Extra Neutral Spirit. In the year 2006, our Company implemented backward integration and began commercial operations for Sugar manufacture from sugarcane, along with Co-Generation capabilities. Currently our integrated unit processes sugarcanes to produce sugar and the by-products are used to generate electricity for captive use and commercial sale, manufacture rectified spirit, ENA, Vinegar, Press-mud and Compost. Over the years, we have expanded the production / manufacturing capacities of all our products.

2. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(Rs. in Lakhs)

Particulars	Amount
Establishment of 150 KLPD Molasses Based Distillery at Bellad Bagewadi	12,195
General Corporate Purposes*	[●]
Total Net proceeds	[●]

** Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
*** Assuming full subscription and Allotment with respect to the Rights Equity Shares. #Rounded off to two decimal places.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 40 of this Draft Letter of Offer.

3. Intention and extent of participation by Promoter and Promoter Group

The objects of the Issue involve financing of capital expenditure for setting up a 150 KLPD Molasses based Distillery at Bellad Bagewadi, the commercial operations of which are tentatively to begin from January, 2024. Further, Mr. Nikhil Umesh Katti, Ms. Sneha Nithin Dev, Mr. Kush Ramesh Katti, Mr. Lava Ramesh Katti, Ms. Jayashree Ramesh Katti, Ms. Sheela Umesh Katti and Mr. Ramesh Vishwanath Katti our Promoters and member of our Promoter Group have vide their letter dated February 24, 2023 (the "Subscription Letter") undertaken to subscribe jointly and/ or severally to the full extent of his Rights Entitlement and subscribe to the full extent of any Rights Entitlements renounced in their favour by any Promoter and the member of Promoter Group of our Company. Further, solely in the event of an under-subscription of this Issue, our Promoters and members of our Promoter Group may subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoters and members of our Promoter Group shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

4. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

Type of Proceedings	Number of cases	Amount (Rs. in lakhs)
Cases against our Company		
Issues involving moral turpitude or criminal liability	1	NA
Material violations of Statutory Regulations	8	4,522
Economic Offences against the Company	NIL	NIL
Tax proceedings:		
E-proceedings	7	Not Ascertainable
TDS	1	0.31
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company:		
Against our Company	15	1,062
By our Company	1	252

For further details, please refer the chapter titled "*Outstanding Litigation and Defaults*" on page 165 of this Draft Letter of Offer.

5. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 19 of this Draft Letter of Offer.

6. Summary of Contingent Liabilities

Following are the details as per the Audited Financial Information as at and for the Financial Years ended on March 31, 2021 and 2022:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Court Cases	1,315.08	1,315.08
b) Bank Guarantee	218.37	144.26
c) EPCG Export Obligation	289.99	289.99
Total	**1,823.44**	**1,749.33**

***** *In respect of the above matters, future cash outflows, in respect of contingent liabilities are determinable only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.*

For further details, please see the chapter titled "*Financial Information"* at page 84 of this Draft Letter of Offer.

7. Summary of Related Party Transactions

For details regarding our related party transactions for nine-month period ended December 31 2022 and the Fiscal 2022, please see the chapter titled "*Financial Information"* at page 84 of this Draft Letter of Offer.

8. 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 for consideration other than cash.

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

There has been no split or consolidation of Equity Shares in the last one year.

10. Our Promoter

The Promoters of our Company are Mr. Nikhil Umesh Katti, Ms. Sneha Nithin Dev, Mr. Kush Ramesh Katti, Mr. Lava Ramesh Katti, Ms. Jayashree Ramesh Katti, Ms. Sheela Umesh Katti and Mr. Ramesh Vishwanath Katti.

11. Our Promoter Group

The Promoter Group of our Company comprises of Mr. Basavaraj S Uttur, Mr. Satish Mahalingappa Ghuli, Mr. Ravindra Shrikant Katti, Mr. Yuvaraj Chunamure, Mr. Suhas Mahalingappa Ghuli, Mr. Abhinandan Dhanapal Khemalapure and Mr. Ramesh Shiralkar. Ms. Padmaja Katti part of our promoter group since deceased, but her shareholding is yet to be transferred to her nominee/s.

SECTION II - RISK FACTORS

An investment in Rights Equity Shares involves a high degree of risk. Investors 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 Rights Equity Shares. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Rights Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. This Draft Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward Looking Statements" on page 16 of this Draft Letter of Offer.

Unless otherwise stated, the financial information used in this section is derived from our Company's audited financial statements as of and for the nine months period ended December 31, 2022 and audited financial statements as of and for the year ended March 31, 2022, 2021 and 2020.

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 Financial Information, prepared in accordance with Ind AS and the Companies Act and in accordance with the 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 to Vishwaraj Sugar Industries Limited.

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

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. We have in the past, made certain issuances and allotments of our equity shares which may not be in compliance with the applicable provisions and rules of the Companies Act, 1956.

During the period October 01, 2007 to March 31, 2008, we had made certain allotments with an aggregate of 9,564 Equity Shares of ₹ 1,000/- each. The said allotments were made in 43 different tranches, wherein the number of allottees was below the threshold limit of 50 in each individual allotment ("collectively the "**Stated Allotments**"). Secondly in compliance with the applicable provisions of the Companies Act, 1956, we had allotted 5,20,100 Equity Shares of ₹ 10/- each to VSL Shareholders Welfare Trust on December 10, 2010. These shares were held by the trust for a period of around 3 years and subsequently transferred to 9,671 persons/farmers in FY 2013-14 ("**Stated Transfers**").

For further information, see "*Capital Structure – Notes to Capital Structure*" on page 38 of this Draft Letter of Offer. We have been given to understand that pursuant to the provisions of the then applicable Companies Act, 1956 and the recent judicial pronouncements, any invitation or offer to subscribe for shares made to 50 persons or more in any Financial Year, may be perceived as a Public Offer. Hence, the Stated Allotments and the Stated Transfer may not have been in compliance with the provisions governing public offerings, including, inter alia, issuance and registration of a prospectus. Pursuant to a press release dated November 30, 2015 and circulars no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and May 3, 2016 (collectively, the "SEBI Circular"), SEBI has provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a Fiscal Year may avoid penal action subject to fulfilment of certain conditions. These conditions include the provision of an option to the current holders of the equity shares allotted to surrender such equity shares at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors. While we have made allotments to more than 200 individuals in FY 2007-08 and we have registered the transfer to more than 200 individuals in FY 2013-14, recognizing the intent of SEBI through the SEBI Circular, our Board, in its meeting held on August 31, 2017, voluntarily authorized our Promoters to provide an exit offer to those shareholders ("Eligible Shareholders" and such exit offers, the "Exit Offer") who held, as on a specified record date (a) Equity Shares allotted by the Company through the Stated Allotments (including through split of the face value of the Stated Shares), and/ or (b) Equity Shares held by persons on account of the Transferred Shares, acquired either through direct allotment / transfer or secondary acquisition. Subsequently, invitations were issued through Offer Letter to all the relevant Eligible Shareholders to offer the stated Equity Shares held by them on the record date for sale to our Promoters at a purchase price calculated in accordance with the SEBI Circulars. All the formalities pertaining to the above have been completed and the relevant confirmations and certificate of the same have been submitted to SEBI as per procedure. We have also e-filed an application on December 19, 2017 with the RoC, as regards the Stated Allotments and the Stated Transfers, seeking to compound any breach of the Companies Act, 1956 on the grounds that (a) the non-compliances with the Companies Act, 1956 were unintentional and inadvertent, and (b) equity shares were allotted/transferred primarily to farmers with the intent of providing them with a meaningful engagement with our Company and granting them sustained benefits of equity interests in our Company, requesting the RoC to compound the offences under Section 441 of the Companies Act, 2013. By an order dated October 31, 2018, the Hon'ble NCLT (Bengaluru Bench) rejected our petition due to it being premature and leaving the matter to SEBI to decide the issue in accordance with law at the appropriate time. Further, there was no order as to costs. We cannot guarantee that we may not be penalised by the Hon'ble NCLT and that SEBI may not initiate appropriate proceedings for violating public issue norms including adjudication proceedings against the Company. Also, we may be subject to complaints in the future regarding the said violations. If any of the above events were to occur, we have to divert substantial resources including our management's concentration on such proceedings or complaints or both. Any such proceeding or action or any adverse order may result in fines, penalties, payment of additional amounts and potentially criminal liability and adversely affect our Company's ability to raise funds, its reputation, financial condition, results of operations and the trading prices of the Equity Shares. Further, our Promoters, namely, Late Mr. Umesh Katti and Mr. Nikhil Katti ("Acquirer Promoters") had undertaken to redress any complaints received by them in future regarding the Exit Offers and any such complaint may result in our Acquirer Promoters to devote substantial time to such complaints and their redressal and may also involve financial penalties and / or fines.

2. Our Company proposes to establish a 150 KLPD plant at the existing factory site of the company in Belgaum. We cannot assure you that the proposed manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.

In addition to our existing 100 KLPD manufacturing unit of Ethanol in Bellad-Bagewadi in Karnataka, we are in the process of setting up another manufacturing unit having aggregate installed capacity of 150 KLPD of Ethanol. The commercial production of the said manufacturing unit is expected to begin by January, 2024.

Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, delays in the construction of our proposed manufacturing unit, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the

proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project.

In the event of any delay in the schedule of implementation of our proposed manufacturing unit or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. If our proposed project is not commissioned at the scheduled time, our Company may face cash crunch to repay the interest obligations. Further, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

3. We intend to utilize the Net Proceeds for funding our capital expenditure requirements for setting up the Project. Our proposed Project is subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Project may have an adverse impact on our operations, reputation and cash flows.

We intend to utilize the Net Proceeds for funding capital expenditure towards Project. For details, see chapter titled "*Objects of the Issue*" on page 40 of this Draft Letter of Offer. The Project is proposed to be financed through Net Proceeds of this Issue and internal accruals. There can be no assurance that we will be able to complete the installation of the Project within estimated time and cost without any cost overruns. The costs of installation of the Project may escalate or vary based on external factors which may not be in our control. Additionally, in the event of any delay in receipt of various approvals in relation to the Project in a timely manner, occurrence of any force majeure events etc., the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. Further, our capital expenditure plans remain subject to the potential problems and uncertainties that the Project may face including cost overruns or delays. There can be no assurance that the proposed Project will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all, our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements. If our Project cost significantly exceeds the estimated cost of the Project, we may not be able to achieve the intended economic benefits of such capital expenditure.

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

As of March 31, 2022, contingent liabilities disclosed in the notes to our Audited Financial Statements aggregated to Rs. 1,823.44 lakhs. The detail of the Contingent Liabilities that have been disclosed as of March 31, 2022 are set forth below:

(Rs. in Lakhs)

Particulars	**For the year ended March 31, 2022**
a) Court Cases	1,315.08
b) Bank Guarantee	218.37
c) EPCG Export Obligation	289.99
Total	**1,823.44**

***** *In respect of the above matters, future cash outflows, in respect of contingent liabilities are determinable only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.*

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

5. Some of our Promoters may be interested in companies or entities which are in the same line of business as us.

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Some of our Promoters, are interested in other companies or entities, as directors or shareholders or otherwise, which are engaged in a similar line of business as compared to ours. Further there is no assurance that our Promoters will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

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

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

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

Our operations are subject to government regulations, and we are required to obtain and maintain several statutory and regulatory permits, approvals, and consents under central, state, and local government rules in India, generally for our business and each of the manufacturing facilities. Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action.

For the Project, Environmental Clearance has been obtained and we may be required to obtain certain other approvals and permissions for undertaking the Project. The details of such approvals and permissions which will be required for the installation and operation of the Project and the status of receipt of such approvals are disclosed in the chapter titled "*Government and Other Statutory Approvals*" on page 168 of this Draft Letter of Offer. The Issuer may be unable to obtain such approvals/consents or renew such approvals within the stipulated time. Additionally, any historical or future failure to comply with the terms and conditions of the existing regulatory or statutory approvals may cause the Issuer to lose or become unable to renew such approvals. Any delay in obtaining or renewing approvals, as applicable, in a timely manner may delay the installation of the Project in accordance with the Schedule of Implementation which may in turn adversely impact our reputation, operations and cash flows.

8. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition.

Decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

9. Any downgrade in our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. We have received ratings from rating agencies, any downgrade in our credit ratings may result in an increase in the interest rates for refinancing our borrowings, which would increase our cost of borrowings, and impact our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

10. Our Company is a party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company is a party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Details of the proceedings involving our Company as on the date of this Draft Letter of Offer along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on November 7, 2022 are given in chapter titled "*Outstanding Litigations and Defaults*" on page 165 of this Draft Letter of Offer.

There can be no assurance that these litigations will be decided in in favour of our Company, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company please refer the chapter titled "*Outstanding Litigations and Defaults*" on page 165 of this Draft Letter of Offer.

11. Our business is subject to seasonal variations that could result in fluctuations in our results of operations.

Our business is seasonal in nature and as a result, our operating results may fluctuate. Since our business is influenced by the availability of our basic raw material, i.e., sugarcane, our production schedules are operational only according to such availability. For example, in Belgaum area, the crushing season generally starts from October each year and remains till April. It is during this period that our majority of the sugar production takes place. During the non-crushing season, i.e., May to September, not only is our sugar production affected but also our cogeneration and distillery units are affected for the lack of bagasse and molasses. Further, other seasonal factors such as irrigation, seed quality, area of sugarcane production and amount of rainfall also play a role in determining the quantity and quality of sugarcane produce. Consequently, the results of one reporting period may not be necessarily comparable with the preceding, succeeding or corresponding reporting periods. Our revenues recorded during planting and harvesting seasons (i.e., 1st half of any financial year) are typically lower or even in losses as compared to revenues recorded during the crushing season (i.e., 2nd half of the financial year). During periods of lower sugar production, we continue to incur substantial operating expenses in connection with day-to-day operations, employees' salaries, miscellaneous maintenance cost and among other things, product promotion expenses which are not reduced significantly during such periods, while our revenues remain reduced. We have experienced, and expect to continue to experience, significant variability in our total revenue, operating cash flows, operating expenses and net revenues on a seasonal basis.

12. We have significant amounts of outstanding payment to Sugarcane growers / farmers each year.

We purchase our entire sugarcane requirement directly from various independent farmers from within and outside our reserved area. These farmers sell their produce to us mainly during the crushing season and the payment for the same is settled only once the crushing season is over. Due to this, we show significant amounts of outstanding to the sugarcane farmers who have sold their produce to us. Also, due to various developments and issues affecting the sugar sector, substantial cane payments are outstanding throughout the industry and due to this the Government has vide notification no. 1(4)/S.P.-I. dated March 02, 2019, notified the banks to sanction soft loans to sugar mills for facilitating the cane payables. We have cordial relations with our suppliers i.e., the Sugarcane farmers and the timeframe followed by us for settling the outstanding is generally accepted by these farmers. If we are unable to clear the dues in a timely manner, some farmers may claim immediate payment or legal action for delayed payment, which may affect our cash flows, business operations and financial condition. Further, if such dues are pending for an extended period of time, the farmers may refrain from selling their produce to us and approach our competitors. In such a case, we may not be able to accumulate sufficient raw materials and our business operations and financial results will be adversely affected. Though we have not defaulted in payment to farmers, we cannot guarantee that such an event will not impact our relations and business operations in the future.

13. Sugarcane is the principal raw material used for the production of sugar. Our business depends on the availability of sugarcane and any shortage of sugarcane may adversely affect our business and results of operations.

We do not own any land for cultivation of sugarcane and we purchase our entire sugarcane requirement directly from various independent farmers from within and outside our reserved area. After the de-regulation of the sugar sector, the farmers growing sugarcane within the villages around our manufacturing facility are not required to sell the sugarcane to our Company and we need to maintain cordial relations with these farmers to ensure that they sell their produce to us. Also, we strive to maintain relations with farmers in other villages not in our immediate vicinity so that we have adequate supply of sugarcane during the crushing season. Further, the farmers within our reserved area have no legal or contractual obligation to cultivate sugarcane and may instead grow other crops. If the farmers within our reserved area cultivate other crops, or otherwise limit their cultivation of sugarcane, we may have a shortage of the raw material. We work with the farmers to determine the harvesting schedule and also provide them with subsidised seeds, cutting & transport assistance so that these farmers sell their produce to us. However, if the farmers are able to realise a higher price for sales of sugarcane from other sugar factories or other users, the farmer may have an incentive to sell the sugarcane to parties other than us. Further, farmers may want to harvest the crop earlier than we have scheduled or grow other crops thereby disrupting our operations. To ensure that the farmers stay interested in selling sugarcane to our Company, we may need to provide financial and other incentives to the farmers. Diversion of sugarcane to other users or other sugar factories may reduce the sugarcane available to us and may adversely affect our financial condition and results of operation. In addition, adverse weather conditions, crop disease, pest attacks may adversely affect sugarcane crop yields and sugar recovery rates for any given harvest. Our sugar production depends on the volume and sucrose content of the sugarcane that is supplied to us. Crop yields and sucrose content depends primarily on the variety of sugarcane grown, the presence of any crop disease, weather conditions such as inadequate or excess rainfall and temperature which may vary even in a particular season. Adverse weather conditions may adversely affect our manufacturing operations. Flood or drought can adversely affect the supply and pricing of the sugarcane procured by us from the farmers. Accordingly, our business operations and results of operations may be adversely affected to such extent. There can be no assurance that weather patterns, crop disease or the cultivation of certain sugarcane crop varieties will not reduce the amount of sugar that we can recover in any given harvest.

Any reduction in the amount of sugar recovered from sugarcane could have a material adverse effect on our business and results of operations.

14. The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

The products that we manufacture, or process are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. Also, apart from ethanol, certain of our other raw materials and our products are required to be stored, handled and transported under specific conditions and / or temperatures and under certain food safety conditions. Further, products like sugar and vinegar may be subject to contamination which may affect the health of the final consumer. These contaminations may be human induced or natural, and, as a result, there is a risk that they could affect our processed sugar or other products. There is a potential for deterioration of our sugar products as a result of improper handling at the processing, packing, storing or transportation levels, which may adversely affect our customer image. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are shipped to our customers. We face the risk of legal proceedings and product liability claims being brought by various entities, including consumers, distributors and government agencies for various reasons including for defective or contaminated products sold or services rendered. For further details, please see chapter titled "*Outstanding Litigation and Defaults*" on page no. 165 of this Draft Letter of Offer. If we experience a product recall or are a party to a product liability case, we may incur considerable expense in litigation. We cannot assure that we will not experience product recalls or product liability losses in the future. Further, we do not have any product liability insurance cover and getting such an insurance afresh will require additional cost. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

15. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.

We have experienced considerable growth and we have expanded our operations and product portfolio. Our Company has a manufacturing unit in Belgaum, Karnataka for manufacturing molasses-based ethanol, and is proposing to set up a new manufacturing unit in the same factory premises for increasing its manufacturing capacity. Our revenue from operations grew at a rate of 10.11% between Fiscals 2021 and 2022, while our profit after tax grew at a rate of 625.44% between Fiscals 2021 and 2022. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate. We cannot assure you that we would be able to successfully implement our growth plans and strategies for our new manufacturing unit or that we will not face delays in our plans. Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

ISSUE SPECIFIC RISKS

16. We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged 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 Circular our Company will send, only through email, the Abridged 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 email. 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.

17. SEBI has recently, by way of circular dated January 22, 2020, 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. 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 circular dated January 22, 2020 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.

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 dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit 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.

18. 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 circular 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 dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date 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 (except in case of transmission or transposition of Equity Shares). For details, please refer chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.

19. 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. Renouncees 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 Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.

20. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

21. Investors 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 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.

22. 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.

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

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

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

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

25. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the

performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

27. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends inrespect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

In accordance with the 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 chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

29. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchanges.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

30. 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.

31. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISKS

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares. Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

33. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- *any increase in Indian interest rates or inflation;*
- *any scarcity of credit or other financing in India;*
- *prevailing income conditions among Indian consumers and Indian corporations;*
- *volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;*
- *variations in exchange rates;*
- *changes in India's tax, trade, fiscal or monetary policies;*
- *political instability, terrorism or military conflict in India or in countries in the region or globally,*
- *including in India's various neighbouring countries;*
- *prevailing regional or global economic conditions; and*
- *other significant regulatory or economic developments in or affecting India*

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

34. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased

costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

35. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

36. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the

law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the number of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

37. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

38. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;
- hostile or war like situations with the neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India’s sovereign debt rating by rating agencies; and

- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares. The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

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

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on January 5, 2023, pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹2 /-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of Rs.12,500 Lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari passu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	18,77,80,000 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]/-
Scrip Details	**ISIN:** INE430N01022 **BSE:** 542852 **NSE:** VISHWARAJ
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" on page 40 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" on page 176 of this Draft Letter of Offer.

Please refer to the chapter titled "*Terms of the Issue*" on page 176 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:

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

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

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of 'Vishwanath Sugars Limited' vide Certificate of Incorporation dated May 02, 1995 with the Registrar of Companies, Bangalore bearing Registration Number - 017730. Our Company was granted the Certificate of Commencement of Business by the Registrar of Companies, Bangalore on December 21, 1999. The name of our Company was subsequently changed to Vishwanath Sugar and Steel Limited and a Fresh Certificate of Incorporation consequent upon change of name was issued by the Registrar of Companies, Bangalore on December 28, 2010. The name of our Company was further changed to Vishwaraj Sugar Industries Limited and a Fresh Certificate of Incorporation consequent upon change of name was issued by the Registrar of Companies, Bangalore on November 29, 2012.

Company Identification Number	L85110KA1995PLC017730
Address of Registered Office of Company	**Vishwaraj Sugar Industries Limited** Bellad Bagewadi Taluk, Hukkeri District Belgaum, Karnataka- 591305, India. **Telephone:** 08333-251251 **Facsimile:** 08333-251322 **E-mail:** info@vsil.co.in **Website:** www.vsil.co.in **Registration Number:** 017730
Address of Registrar of Companies	**Registrar of Companies,** 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Banglore-560034, Karnataka. **Telephone:** 080-25633105 **Facsimile:** 080-25538531 **E-mail:** roc.bangalore@mca.gov.in
Designated Stock Exchange	BSE Limited

Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Letter of Offer are set forth in the table hereunder:

Name	Designation	Address	DIN
Mr. Nikhil Umesh Katti	Managing Director	No. 828, Vaccine Depot Road, Tilakwadi, Belgaum, Karnataka - 591305	02505734
Mr. Ramesh Vishwanath Katti	Additional Director	House No. 341, Bellad Bagewadi, Hukkeri, Belgaum, Karnataka - 591305	02669306
Mr. Kush Ramesh Katti	Whole Time Director (Executive Director)	No. 341, Bellad Bagewadi, Hukkeri, Belgaum, Karnataka - 591305	02777189
Mr. Mukesh Kumar	Whole Time Director (Executive Director)	F-201, Mantri Paradise Bannerghatta Road, Opposite Reliance Mart Arekere Gate, Bilekahalli, Bangalore, Karnataka – 560076	02827073
Mr. Surendra Shantaveer Khot	Non-Executive Independent Director	Plot No. 116, Ramateerth Nagar, Belgaum, Karnataka - 590016	03504813
Mr. Shivanand Basavanneppa Tubachi	Non-Executive Independent Director	Plot No. 278, Anugraha Shivabasava Nagar, 2nd Sector, Belgaum, Nehru Nagar, Hukkeri, Belgaum, Karnataka - 590010	07852525
Mr. Basavaraj Veerappa Hagaragi	Non-Executive Independent Director	House No. 1460/42, Pragati Housing Colony, Bellad Bagewadi, Hukkeri (rural), Belgaum, Karnataka - 591305	07852512
Mrs. Pratibha Pramod Munnolli	Non-Executive Independent Director	AT Post, Bellad Bagewadi, Hukkeri Belgaum, Karnataka - 591305	07852508
Mr. Vishnukumar Mahadev Kulkarni	Non-Executive Independent Director	Sr. No. 12/3B, Flat No. 1004, B-2, Siddharth Towers, G.A. Kulkarni, Behind City Pride Kothrud, Pune City, Ex. Serviceman Colony Pune, Maharashtra – 411038	01756948
Ms. Sneha Nithin Dev	Additional Director	M, 104 Briedge Gate Way 26/1 Dr. Rak Kumar Road, Malleshwaram, Bengaluru, Bangalore North, Karnataka - 560055	09762514

For detailed profile of our Directors, please refer to the chapter titled "*Our Management and Organisational Structure*" on page 80 of this Draft Letter of Offer.

Company Secretary and Compliance Officer

Priya Manoj Dedhia, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

103, Kusum Nivas CHS Ltd, Namadev Path No.3,
Kai DADA Utgikar Marg,
Dombivali East, Thane -421201
Telephone: +91 9769306316
E-mail: cs@vsil.co.in

Chief Financial Officer

Sheshagiri Hanumantarao Kulkarni, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Degulahalli Post: Devagaon
Taluk: Bailhongal, Dist: Belagavi -591305
Telephone: +91 9686698938
E-mail: accounts@vsil.co.in

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

Lead Manager to the Issue	**Registrar to the Issue**
Corporate Capital Ventures Private Limited B-1/E-13 Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044, India **Telephone**: + 91 – 11 - 41824066 **E-mail:** rights@ccvindia.com **Website**: www.ccvindia.com **Investor grievance:** investor@ccvindia.com **Contact Person:** Mrs. Harpreet Parashar **SEBI Registration Number:** INM000012276	**Bigshare Services Private Limited** Office No. S6-2, 6th Floor, Pinnacle Business Park, near to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai _ 400093 **Telephone:** 022 – 6263 8200/22 **E-mail:** rightsissue@bigshareonline.com **Website:** www.bigshareonline.com **Contact person:** Mr. Vijay Surana **Investor grievance:** investor@bigshareonline.com **CIN:** U99999MH1994PTC076534 **SEBI Registration No**: INR0001385
Bankers to the Company	**Legal Adviser to the Issue**
The Belagavi District Central Co-Operative Bank Ltd. **Address:** Head Office, Near Central Bus Stand, Belagavi - 590016 **Telephone:** +91 9845260059 **Email**: dgm.planning@belagavidccb.com **Website: N.A.** **Contact Person:** Mr. Mahanand C. Managavi **RBI License Number:** RPCD (BG) DCCB-2/2009/10 **Bank of India** **Address:** Bank of India, Shahapur (Belagavi) Branch, Dr. SPM Road, Shahapur, Belagavi, Karnataka – 590003 **Telephone:** +91 0831-2407001 **Email:** Shahapur.hubballidharwad@bankofindia.co.in **Website:** www.bankofindia.com **Contact Person:** Shri AK Jha **State Bank of India** **Address:** Udyambag Khanapur Road Belagavi **Telephone:** +91 9448993377 **Email:** sbi.04160@sbi.co.in **Website:** - **Contact Person:** Mr. Mohit Saraogi	**M/s. M. V. Kini Law Firm** Kini House, 6 / 39 Jangpura-B, New Delhi – 110014, India **Tel No.:** +91–11–24371038/39/40 **Email:** raj@mvkini.com **Website:** www.mvkini.com **Contact Person:** Ms. Raj Rani Bhalla

SVC Co-Operative Bank Ltd. **Corporate Address:** SVC Tower, Nehru Road, Vokala , Santacruz East , Mumbai Branch Address: Ground Floor Satellite Space Age Complex Koppikar Road, Hubli – 580020 **Telephone:** +91 9886700445 **Email:** raona@svcbank.com **Website:** www. svcbank.com **Contact Person:** Mr. Nagaraj Rao	
Statutory & Peer Review Auditor of the Company	**Banker to the Issue**
M/s PG Ghali & Co. **Address:** Flat 01, 3rd Floor, Above Reliance Trends, Beside Yes Bank, Khanapur Road, Tilakwadi, Belagavi - 590006 **Telephone**: +91 9448765797 **Email:** capraveenghali@gmail.com **Contact Person:** CA Praveen P Ghali **Membership No.:** 215756 **Firm Registration No.:** 011092S **Peer Review Certificate No.:** 013376	**State Bank of India** **Address:** Mumbai Main Branch Building, 3rd Floor, Mumbai Samachar Marg, Fort, 400023 **Telephone:** +91 8879640174 **Email:** sbi.11777@sbi.co.in **Website:** - **Contact Person:** Mr. Mahadev B. Rawool
Monitoring Agency	
ICRA Limited **Address:** FMC Fortuna, A-10 & 11, Third Floor, 234/ 3A, AJC Bose Road, Calcutta, 70020 **Telephone:** 913371501100 **Email:** info@icraindia.com **Website:** www.icra.in **Contact Person:** Mr Jayanta Chatterjee	

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

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

Inter-se Allocation of Responsibilities

Corporate Capital Ventures Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities 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 6, 2023 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) examination report dated May 9, 2022 on our Financial Information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; (ii) limited review report dated February 9, 2023 on our Limited Review Financial Results for the nine month period ended December 31, 2022 ; and (iii) statement of tax benefits dated February 22, 2023 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 the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc. Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or R-WAP.

Changes In Auditors During Last Three Financial Years

Except as mentioned below, there has been no change in the Statutory Auditors of our Company during the last 3 years preceding the date of filing of this Draft Letter of Offer:

Sr. No.	Date of Change	From	Date of Change	To	Reason for Change
1.	August 27, 2022	**Gojanur & Co., Chartered Accountants Accountants** **Address:** **E-mail:** gojanur_cs@rediffmail.com **Firm Registration Number:** 000941S **Peer Review Certificate Number:** 011335	August 27, 2022	**P.G. Ghali & Co. Chartered Accountants** **Address:** No. 102, Hari Apartments, Behind Punjab National Bank, College Road, Belagavi-590001 **E-mail:** capraveenghali@gmail.com **Firm Registration Number:** 011092S **Peer Review Certificate Number:** 013376*	Earlier Auditor M/s Gojanur & Co. had completed their five-year term.

**The peer review certificate issued by Peer Review Board of ICAI is valid till July 31, 2024.*

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:

Events	Indicative Date
LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

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

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

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

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 (2) 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., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before

the Issue Closing Date. For details on submitting Common Application Forms, see chapter titled "*Terms of the Issue*" beginning on page 176 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 amount 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.

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 either security control measures implemented there at. For further details, see chapter titled "*Terms of the Issue*" beginning on page 176 of this Draft Letter of Offer.

Credit Rating

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

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is more than Rs. 10,000 Lakhs, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilisation of the Net Proceeds from the Issue in accordance with Regulation 41 of the SEBI ICDR Regulations.

ICRA Limited
Address: B-710, Statesman House, 148, Barakhamba Road, New Delhi -110001, India
Telephone: +91 9845022459
Email: jayantac@icraindia.com
Contact Person: Mr. Jayanta Chatterjee

For details in relation to the proposed utilisation of the Net Proceeds, see chapter titled *"Objects of the Issue"* on page 40 of this Draft Letter of Offer.

Appraising Agency

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

Underwriting

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (i.e. 4 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing of the Offer Document

A copy of this DLOF has been filed with the Securities Exchange Board of India through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 and at cfddil@sebi.gov.in , in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD". This DLOF will also be filed with BSE and NSE, where the Rights Equity Shares are proposed to be listed.

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:

S. No.	Particulars	Amount (in Rs. Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	**Authorised Share Capital**		
	30,00,00,000 Equity Shares of face value of Rs. 2 each	6000	[●]
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	18,77,80,000 Equity Shares of face value of Rs. 2 each	3,755.60	[●]
C.	**Present Issue in terms of this Letter of Offer***		
	Up to [●] Equity Shares of face value of Rs. 2 each	[●]	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue#**		
	[●] Equity Shares of face value of Rs. 2 each	[●]	[●]
E.	**Securities Premium Account**		
	Before the Issue	[●]	[●]
	After the Issue	[●]	[●]

* The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated January 5, 2023.

Our Equity Shareholders pursuant to voting in AGM, the results of which were declared on September 25, 2021 have approved the sub division of the equity shares from Rs. 10 face value to Rs. 2.

 # Assuming full subscription for and allotment of the Rights Entitlement. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

NOTES TO CAPITAL STRUCTURE

1. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

   The Promoters and the Promoter Group has, *vide* their letter (s) dated January 24, 2023 (the "**Subscription Letter**"), undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in his favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

   Such subscription 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 have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

   The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

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

3. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert

debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

4. **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges:**

   i. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of the BSE at:https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542852&qtrid=116.00&QtrName=December%202022 and on the website of the NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VISHWARAJ&tabIndex=equity

   ii. Statement showing shareholding pattern of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022 can be accessed on the website of the BSE at: https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542852&qtrid=116.00&QtrName=December%202022 and on the website of the NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VISHWARAJ&tabIndex=equity

   iii. Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on December 31 , 2022 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=542852&qtrid=116.00&CompName=Vishwaraj%20Sugar%20Industries%20Ltd&QtrName=December%202022&Type=TM and on the website of the NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VISHWARAJ&tabIndex=equity

5. **Details of shares locked-in, pledged, encumbrance by promoters and promoter group**

   As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoters or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

6. **Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:**

   - Our erstwhile Promoter, Mr. Umesh Vishwanath Katti passed away on September 6, 2022 and 70,92,820 Equity Shares held by him were transmitted to his son and member of our Promoter Group, Mr. Nikhil Umesh Katti on December 7, 2022.
   - Our erstwhile Promoter, Ms. Padmaja Katti passed away on September 01, 2021 and 25,000 Equity shares held by her are yet to transmitted to her nominees.

   Except as mentioned above and in this Draft Letter of Offer, our Promoters and members of Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

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

1. Establishment of 150 KLPD Molasses Based Distillery at Bellad, District Belgaum (hereinafter referred to as the "Project"); and
2. General Corporate Purposes (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 expenses ("Net Proceeds") for the above-mentioned Objects.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the 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.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

(Rs. in lakhs)

S. No.	Particulars	Amount
1.	Gross Proceeds of the Issue*	[●]
2.	Less: Issue Expenses**	[●]
Net Proceeds of the Issue		[●]

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.*
*** To be determined at the time of filing the Letter of offer.*

Utilization of Net Proceeds and Means of Finance
The proposed utilization of Net Proceeds is set forth below:

(Rs. in lakhs)

S. No.	Object	Amount proposed to be utilised form the Net Proceeds
1.	Establishment of 150 KLPD Molasses Based Distillery at Bellad, District Belgaum	12,195
2.	General Corporate Purposes	[●]
3.	Net proceeds from the Issue**	[●]

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

The funding requirements mentioned above are based on inter alia our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals.

Therefore, our Company is not required 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.

Proposed Schedule of Implementation and Deployment of Funds

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

(Rs. in lakhs)

S. No.	Particulars	Amount to be deployed from Net Proceed	Estimated deployment of Net Proceeds from FY 2022-23#	Estimated deployment of Net Proceeds from FY 2023-24
1.	Establishment of 150 KLPD Molasses Based Distillery at Bellad	12,195.00	4,000	8,195
2.	General Corporate Purposes##	[●]	[●]	[●]
	Total Net Proceeds from the Issue*	[●]	[●]	[●]

 # Our Company proposes to utilize funds collected in rights issue after finalization of the basis of allotment. Post completion of the rights issue, the Company will immediately use the funds for the purpose stated in the objects of the issue. However, our Company in order to expedite the establishment of 150 KLPD Molasses Based Distillery will be temporally funded out of internal accruals.

Our Company has deployed Rs. 2420 lakhs, towards meeting the expenditure incurred on the Proposed Projects as on February 20, 2023, which is certified by M/s P.G.Ghali & Co., Chartered Accountants, vide their certificate dated February 20, 2023.

##The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;

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

The above fund requirements, the deployment of funds and the intended use of the Net Proceeds as described above are based on our current business plan, management estimates, current and valid purchase or work orders issued to suppliers & contractors and quotation received by the Company. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will be subject to monitoring by a monitoring agency i.e, ICRA Limited. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilized (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

In case of any increase in the actual utilization of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds will be met through means available to us, including by way of incremental debt, sale of investments and/or internal accruals.

Details of the Objects of the Issue:

1. Establishment of 150 KLPD Molasses Based Distillery at Bellad

We are an integrated sugar and other allied products manufacturing company and operate a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar, we also manufacture other allied products such as Rectified Spirits, Extra-Neutral Spirits, Indian Made Liquor, Vinegar, Compost etc. Thus, Distillery is a part of our main segment of business. Over the years, we have expanded our production and manufacturing capabilities and for the same purpose, we are establishing a 150 KLPD Molasse Based Distillery at Bellad. The amount will be utilised to establish the aforestated distillery, which will help increase our production capacity. The Project will be capable of producing 160,000 lit/day Rectified Spirit with 85% v/v or 150,000 lit/day Ethanol with 99.8% v/v from 'B' Heavy Molasses. The Project is capable of producing minimum 11% v/v alcohol content in fermentation wash.

Details of Estimated Costs

The total estimated cost of capital expenditure for expansion of establishment of 150 KLPD Molasses Based Distillery at Bellad, District Belgaum. The detailed break-down of estimated cost is set forth below:

(Rs. in lakhs)

Particulars Amount	Total Estimated
Civil Works	995.00
Plant and Machinery (including electricals, design, manufacture, supply etc.)	11,000.00
Provisions for contingencies and other miscellaneous expenses	200.00
Total	**12,195.00***

*The said amount is tentative and the same may change as per the market scenario.

Quotation dated November 25, 2022 for civil works involved in the Project has been obtained from Structural & Architectural Consultant Mr, Prasad S. Dabeer Designs, Address: 1031, E Ward, B-I-1, Sterlimg Tower, Gavat Mandai, Shahupuri, Kolkapur, which is as below –

Sr. No.	Name of Work	Estimated Cost (Rs. in Lakhs)
1.	Digester Foundation and Allied Works (32 m Dia. 2 Nos)	120.00
2.	Condensate Polishing Units	105.00
3.	Boiler and Auxiliary Foundation	65.00
4.	R.C.C. Chimney	130.00
5.	Power House with control rooms	100.00
6.	Turbo Alternator and Aux Foundation	55.00
7.	Distillery (Civil Works of Distillation, Fermentation section with PLC room and Lab)	250.00
8.	Civil work for Dryer and Allied Works	60.00
9.	Ash handling and Briquette conveyor system	15.00
10.	Cooling Towers (3 No. with pipe rack columns)	30.00
11.	D.M. Plant	25.00
12.	Roads and Site Development	40.00
	Total	**995.00**

Quotation dated November 2, 2022 for the Project on turnkey basis has been obtained from M/s Alco Tech Engineering, Address: W-18, MIDC, Baramati, Dist- Pune and the same has been reproduced below –

Design, Manufacture, Supply, erection and commissioning of 150 KLPD MPR Wash to Ethanol Distillery Plant.

Sr. No.	Description	Rs. in Lakhs
1.	Molasses Handling System	11,000.00
2.	Fermentation Section	
3.	Distillation Section – Wash to Ethanol RS Multi Pressure Distillation with DCS Based Instrumentation	
4.	Design, Fabricate and Supply of Integrated Evaporation Plant	
5.	Condensate Polishing Unit	
6.	WTP	
7.	Utilities like Cooling Towers and Air-Compressors, with Dryers	
8.	Weigh Bridge & Laboratory Equipment's	
9.	Boiler with Fuel Feeder Arrangement Fuel handling, ash handling of boiler Steam line PRDS and steam flow metres along with structure Online monitoring system of CPCB	
10.	Turbine – 4MW	
11.	DG Set	
12.	Erection and Commissioning	
13.	Painting Insulation	
14.	Transport Charges	
15.	Structure	
16.	Civil Work for Plant and Machinery	
	Total	**11,000.00**

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets,

such as furniture and fixtures and other office equipment; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. [●] lakhs. The expenses of this Issue include, among others, lead management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable.

The estimated Issue expenses are as follows:

(Rs. in Lakhs)

Activity	Estimated Expenses	As a % of the total estimated Issue Expenses	As a % of the Total Issue Size
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses, distribution and postage	[●]	[●]	[●]
Regulatory and other expenses including Listing Fee	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Note: *Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Letter of Offer, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Strategic or Financial Partners

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

Monitoring of Utilisation of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the monitoring agency for monitoring the utilisation of Net Proceeds, as the proposed Fresh Issue exceeds Rs. 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized, till the time any part of the Fresh Issue proceeds remains unutilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds 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.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulations for the Proposed Objects of the Issue

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

Interest of Directors and management, in the objects of the Issue

Our Directors and management do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Directors and Key Managerial Personnel of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,
The Board of Directors
Vishwaraj Sugar Industries Limited,
Bellad Bagewadi,
Taluk Hukkeri,
District Belagaum - 591305,
Karnataka -

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits available to Vishwaraj Sugar Industries Limited ("the Company') and shareholders of the Company under the direct and indirect tax laws.

We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in this Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the **"Issue"**). The statement has been prepared by the management of the Company and stamped by us for identification purpose only.

The statement showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of Income Tax Act, 196l ("the IT Act') and the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 relevant State Goods and Services Tax Act ("**SGST**") read with rules. circulars. and notifications ("**GST law**"), the Customs Act. 1962, Customs Tariff Act, 1975 **("Customs law")** and Foreign Trade Policy 2021-2026 ("FTP") (here in collectively referred as **"Indirect Tax Laws"**) as amended by Finance Act. 2022. i.e., applicable for the assessment year AY2023-24 relevant to the financial year 2022-2023 for inclusion in the Letter of offer (**"DLOF"**) & Letter of Offer (**"LOF"**) for the issue of rights shares is annexed herewith.

These possible special tax benefits are dependent on the Company and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company, and the shareholders of the Company may or may not choose to fulfil.

Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:
i. The Company or the shareholders of the Company will continue to obtain these benefits in future;
ii. The conditions prescribed for availing the benefits have been/would be met;
iii. The revenue authorities/courts will concur with the views expressed herein

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation:
Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for 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 the Company, its Certain Material Subsidiaries and any other person in respect of this Statement, except as per applicable law.

For M/s. P.G. Ghali & Co.
Chartered Accountants
Firm Registration No. 011092S

CA Praveen P. Ghali
Partner
Membership No. 215756
UDIN – 23215756BGSBZR8242
Date – February 22, 2023

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VISHWARAJ SUGAR INDUSTRIES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

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

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The tax benefits stated below are as per the Income tax Act, 1961 ("**IT Act**") as amended from time to time and applicable for financial year 2021-22 relevant to assessment year 2022- 23 (AY 2022-23) and Indirect Tax Laws as amended from time to time and applicable for financial year 2021-22.

I. Under the IT Act

1. Special tax benefits available to the Company under the Act

a) Lower Corporate Tax Rate under section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act 2019") granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (i.e. deduction under section 10AA, 32(1)(iia), 33ABA, 35 (2AB), 80-IA etc.) The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under section 115JB. The CBDT has further issued Circular 29/2019 dated Oct 02, 2019 clarifying that since the MAT provisions under section 115JB itself would not apply where a domestic company exercises option of lower tax rate under section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under section 115JAA dealing with MAT credit. The Company is eligible to exercise the above option and has exercised the option to pay tax u/s 115BAA from AY 2021-22.

B. Deductions from Gross Total Income

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

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

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

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 01, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act. Where the Company received any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the company. With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The Section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES: -

a) The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b) The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

c) The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provision of the Tax Laws.

d) In respect of non-residents, the tax rate and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

e) In respect of lower Corporate Tax rate under section 115BAA, it may be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the tax return of the Company for Financial Year 2020-21. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.

f) If the company opts for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions: -

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub–section (1) of section 32 (Additional Depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- No set off of any loss or allowance for unabsorbed deprecation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

g) This statement is intended only to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

1. Special indirect tax benefits available to the Company.

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

2. Special indirect tax benefits available to Shareholders

The Shareholders of the company are not entitled to any special tax benefit under indirect tax laws.

NOTES:

1. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, 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. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect the current trends. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section must be read in conjunction with the chapters titled "*Risk Factors*" and "*Our Business*" beginning on page 19 and 57, respectively of this Draft Letter of Offer.

Global Economic Overview

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spill-overs through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries— most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026. Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook. Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances— including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic remain essential and as the pandemic is not yet over, governments must use all tools at their disposal to combat the virus, both by meeting vaccination targets and by ensuring equitable access to tests and treatment.

Source: World Economic Outlook Report by IMF

(https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022)

Indian Economy Overview

Right when the global economy seemed to be at the cusp of witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties associated with subsequent waves of infection and rising global inflationary pressures), the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world, primarily the Western powers. It is obvious that these will likely have unpredictable and undesired implications on the global financial system and economy. Global investors, for instance, are shoring up their money into safer-haven assets such as gold and US Treasuries, while equity markets in emerging countries, which were seeing capital outflows since the US Federal Reserve's announcement to taper asset purchases in November, are in a state of flux.

It is, therefore, no surprise that the war in Ukraine and its potential economic impact have forced several economic forecasters to go back to their drawing boards and revise their growth projections for this year—most now point to less-than-expected growth in 2022. Even though there is little visibility into how long the conflict will last, our economists believe that the crisis could hurt growth in the United States and the United Kingdom by 0.3–0.5% in 2022.

We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination.

On the back of these factors, we expect India to grow at 8.3–8.8% during FY2021–22, followed by equally strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively. This will likely mean that the baton for the fastest-growing emerging country will be passed on from China to India in the coming years.

GDP grew by 5.4% during October–December 2021 (Q3 FY2021–22), slower than we had earlier estimated. Growth in the July–September quarter was revised up to 8.4%, which explains the fading recovery in the subsequent quarter. The uneven (modest, at best) recovery in a few sectors, especially agricultural, manufacturing, and contact-intensive services sectors, weighed on the overall growth.

On the expenditure front, although festive demand and reduced infections boosted private consumption, growth momentum slowed compared to previous quarter. Slower-than-expected demand growth and lower capacity utilization weighed on the momentum in gross fixed capital formation growth. Even government expenditure declined this quarter. However, exports maintained a strong momentum, pushing the overall growth upward.

Consumer price inflation (CPI) breached the upper band of the Reserve Bank of India's (RBI's) comfort zone (of 4%+2%) and grew by 6% in January 2022 as against 5.7% in the previous month. Wholesale price inflation also jumped to a decadal high of 12.96%. Prices rose primarily because of logistics and supply chain disruption as the number of infections increased and regional lockdowns were imposed. Prices of food commodities—led by vegetables, edible oils, and poultry products—witnessed sharp increases.

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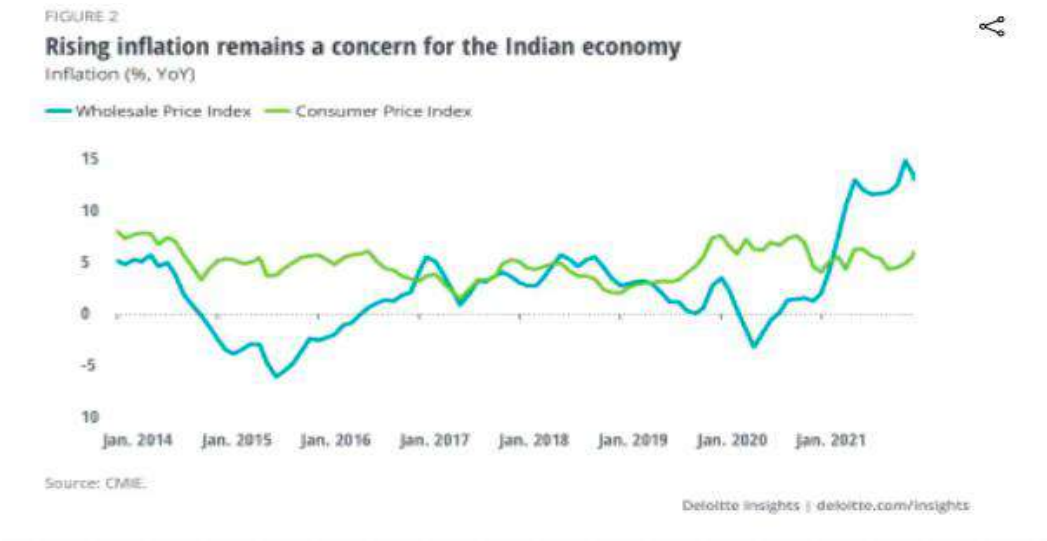
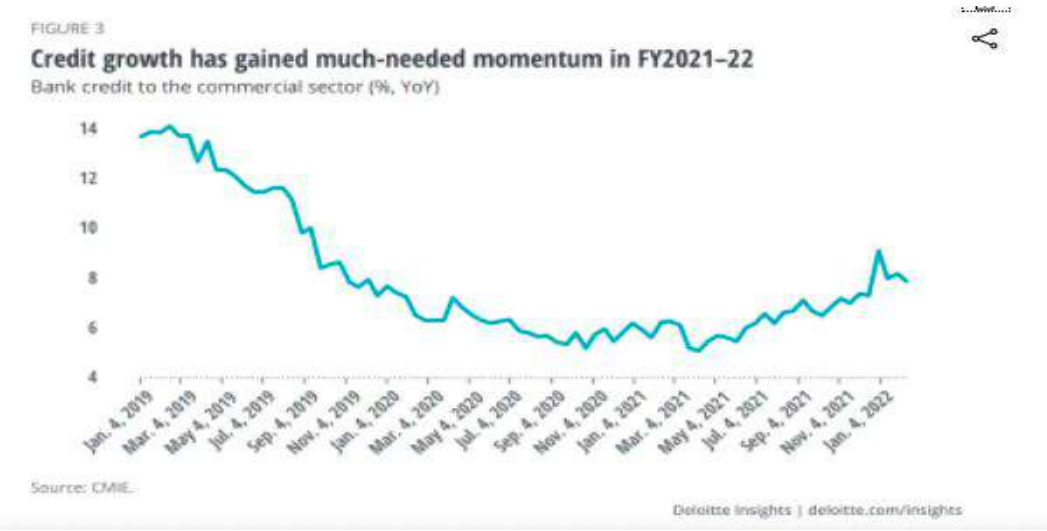


On a positive note, there was a visible growth in credit uptake in FY 2021–22, with agricultural and industrial sectors and personal loans driving the uptick (figure 3). Falling gross nonperforming asset (GNPA) ratios in the industry sector (by 7.6% in three years) contributed to a significant rise in lending to this sector. Credit growth in the services sector, meanwhile, remained muted while the GNPA ratio remained higher than pre-pandemic levels. Banks and nonbanking financial companies (NBFCs) have healthier balance sheets and provisions compared to the levels seen in 2018. They are in a better position to lend and remain resilient in case of rising stress in the financial sector due to sanctions on Russia. However, credit growth remains far below the 2019 levels and is in need of an uptick at a sustainable pace.



Source: India Economic Outlook Report by Deloitte
(https://www2.deloitte.com/uk/en/insights/economy/asia-pacific/india-economic-outlook-04-2022.html)

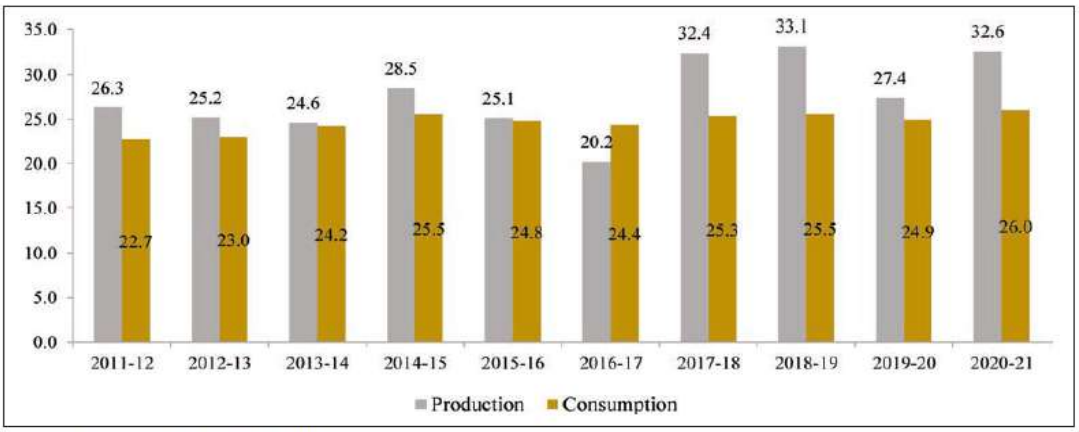
Indian Sugar Industry

Sugar industries development is backbone to economic development of the nation. Significance of sugarcane and sugar industry for India's economy can be gauged from the fact that it is the country's second largest agro-based industry, next to cotton. It impacts the livelihood of over 5 crore farmers and their dependents. India is the largest consumer and the second-largest producer of sugar in the world. Average annual production of sugarcane is around 35.5 crore tonnes which is used to produce around 3 crore tonnes of sugar. The domestic consumption is estimated to be around 2.6 crore tonnes in 2020-21. Over the years, India has become a sugar surplus nation as reflected from the trend of sugar production and consumption in Figure 10. Since 2010-11, production has outstripped consumption except in 2016-17.

This has been possible because of various measures undertaken by Government. For example, the interest of the farmers is protected by Fair and Remunerative Price (FRP) which has doubled in a span of ten years. In addition, some state governments

announce State Advised Price (SAP) at levels higher than FRP. Additionally, sugar mills that buy sugarcane are mandated to purchase crops from farmers within a specified radius known as the Cane Reservation Area. In this way, sugarcane farmers are insured and protected against price risk.

Figure 10: Production and Consumption Levels of Sugar (Million Tonnes)



Source: Based on data of CACP Report on Sugarcane.

Source: Indian Economic Survey 2021-2022

Incentivizing Sugar Mills

In order to handle the surplus production and enhance liquidity of mills, the Government has taken various steps such as incentivizing sugar mills to divert excess sugar cane/sugar to ethanol production, providing financial assistance for transport to sugar mills to facilitate export of sugar, etc. About 70 LMT of sugar has been exported in sugar season 2020- 21 in comparison to 59.60 LMT of sugar export in sugar season 2019-20. Further, contracts of about 30 LMT for export of sugar have already been signed in the sugar season 2021-22. Moreover, in the past four sugar seasons ending 2020-21, revenue of about Rs. 35,000 crore has been generated by sugar mills/distilleries from sale of ethanol to Oil Marketing Companies which has helped in clearing cane price arrears of farmers.

Source: Indian Economic Survey 2021-2022

Production

There are 506 operational sugar factories in the country as on 04.02.2022, with sufficient crushing capacity to produce around 350 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and co-operative sector units. The capacity of sugar mills is, by and large, in the range of 2,500 Tonnes Crushed per Day (TCD) to 5,000 TCD bracket but increasingly expanding and going even beyond 10,000 TCD. Three standalone refineries have also been established in the country in the coastal belt of Gujarat, West Bengal and Andhra Pradesh which produce refined sugar mainly from imported raw sugar as also from indigenously produced raw sugar. The sector-wise break-up of operation sugar mills in the country is given below: -

Sl. No.	Sector	Number of Factories
1.	Co-Operative	204
2.	Private	292
	Total	**506***

* Inclusive of 3 refineries each in Gujrat, West Bengal and Andhra Pradesh.

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

Export of Indian Sugar Industry

Sugar is an essential commodity. Its sale, delivery from mills, and distribution were regulated by the Government under Essential Commodities Act, 1955. Till 15.01.1997, the exports of sugar were being carried out under the provisions of the Sugar Export Promotion Act, 1958, through the notified export agencies, viz. Indian Sugar & General Industry Export Import Corporation Ltd. (ISGIEIC) and State Trading Corporation of India Ltd. (STC).

Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15.01.1997 and thus the export of sugar was decanalised. Under the decanalised regime, the export of sugar was being carried out through the Agricultural and Processed Food Products Export Development Authority (APEDA), under Ministry of Commerce & Industry. Thereafter, the sugar export was undertaken by the various sugar mills/merchant exporters, after obtaining the export release orders from the Directorate of Sugar.

During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders. Subsequently, the necessity of obtaining release order was reintroduced from 01.01.2009, in view of drop in sugar production. However, due to surplus production during 2010-11 sugar season, Government permitted exports under Open General License on the strength of the release order.

The phase of surplus production continued and the Government has again dispensed with the requirement of export release orders w.e.f. 11.05.2012. Thereafter, the export of sugar was made free subject to prior registration of quantity with DGFT. Subsequently, w.e.f. 07.09.2015, the requirement for prior registration (RC) was also dispensed with.

Sugar Export			(in LMT)
Sugar Season	Raw Sugar	White Sugar	Total
2016-17	0.07	0.41	0.48
2017-18	0.46	5.84	6.30
2018-19	13.12	23.88	37.00
2019-20	17.88	41.72	59.60
2020-21	28.91	41.09	70.00

Sugar season-wise export of sugar

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

Import Of Indian Sugar Industry

Sugar production in the sugar season 2008- 09 had declined and in order to augment the domestic stock of sugar, the Central Government allowed import of raw sugar at zero duty under Open General License (OGL) w.e.f. 17.04.2009 which was applicable till 30.06.2012. Thereafter, a moderate duty of 10% was re-imposed w.e.f. 13.07.2012 which was subsequently increased to 15% w.e.f. 08.07.2013.

Due to surplus stocks of sugar in the country and in order to check any possible imports, the Government increased the import duty from 15% to 25% on 21.08.2014, which was subsequently increased to 40% w.e.f. 30.04.2015 and further increased to 50% w.e.f. 10.07.2017. In order to prevent any unnecessary import of sugar and to stabilize the domestic price at a reasonable level, the Central Government has increased custom duty on import of sugar from 50% to 100% in the interest of farmers w.e.f. 06.02.2018.

(in Lakh MT)

Sl. No.	Sugar Season	Quantity Imported
1	2016-17	32.27
2	2017-18	20.39*
3	2018-19	11.65*
4	2019-20	14.36*
5	2020-21	12.44*
6	2021-22 (Estimated)	13.00*

*Mainly raw sugar was imported under Advance Authorization Scheme (AAS) of DGFT which require export of finished product after requisite value addition within stipulated time to discharge obligation

Sugar season-wise import of sugar

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

Regulations in Sugar Industry

With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009 and the concept of Statutory Minimum Price (SMP) of sugarcane was replaced with the 'Fair and Remunerative Price (FRP) of sugarcane for 2009-10 and subsequent sugar seasons. The cane price announced by the Central Government is decided on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) after consulting the State Governments and associations of sugar industry. The amended provisions of the Sugarcane (Control) Order, 1966 provides for fixation of FRP of sugarcane having regard to the following factors: -

a. Cost of production of sugarcane;
b. Return to the growers from alternative crops and the general trend of prices of agricultural commodities;
c. Availability of sugar to consumers at a fair price;
d. Price at which sugar produced from sugarcane is sold by sugar producers;
e. Recovery of sugar from sugarcane;
f. The realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value and
g. Reasonable margins for the growers of sugarcane on account of risk and profits.

Under the FRP system, the farmers are not required to wait till the end of the season or for any announcement of profits by sugar mills or the Government. The new system also assures margins on account of profit and risk to farmers, irrespective of the fact whether sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill.

In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar mills, the FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.

Accordingly, FRP for 2021-22 sugar season has been fixed at ` 290 per quintal linked to a basic recovery of 10% subject to a premium of ` 2.90 per quintal for each 0.1% increase of recovery over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate ill 9.5%. With a view to protect interest of farmers, the Government has decided that there shall not be any deduction in case where recovery is below 9.5%; such farmers will get ` 275.50 per quintal for sugarcane in the current season.

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

De-regulation of sugar sector on the recommendations of Dr. Rangarajan Committee report

The year 2013-14 was a water-shed for the sugar industry. The Central Government considered the recommendations of the committee headed by Dr. C. Rangarajan on de-regulation of sugar sector and decided to discontinue the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector was undertaken to improve the financial health of sugar mills, enhance cash flows, reduce inventory costs and also result in timely payments of cane price to sugarcane farmers. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to State Governments for adoption and implementation, as considered appropriate by them.

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

Government Initiatives

After the implementation of National Food Security Act (NFSA), 2013 in the entire country, there is no identified category of BPL under the NFSA, 2013; however, the Antyodaya Anna Yojana (AAY) beneficiaries are clearly identified. The Government has reviewed the sugar subsidy scheme and has decided to give access to consumption of sugar as a source of energy in diet, for the poorest of the poor section of the society i.e., AAY families.

The Central Government has been reimbursing a fixed subsidy of 18.50 per kg @ 1 kg per month per AAY family to participating States/ UTs. The States/ UTs are also allowed either to absorb the additional cost on account of handling, transportation and dealer's commission or pass it on to the consumer by adding it to the Retail Issue Price (RIP) of ` 13.50 per kg under the Public Distribution System (PDS).

Presently 24 states are participating in the scheme and about 1.87 crore AAY families are getting benefit under this scheme for which about 2.25 Lakh tons sugar is being distributed.

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs.

Power Sector in India

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Source: India Brand Equity Foundation
(https://www.ibef.org/industry/power-sector-india)

Bagasse Co-generation Industry in India

Bagasse is a by-product of sugar cane that is used as fuel in boilers to produce process steam. The consumption of Bagasse depends upon the pressure at which steam is produced in boiler. Co-generation projects with higher boiler pressure results in low computation of Bagasse, resulting in increased operating days.

Recycling Bagasse: The task force recommends that incentives be provided to sugarcane mills to recycle bagasse. In addition to being used as a biofuel, bagasse has multiple other uses. If bagasse is not burned in high-pressure boilers it will lead to uncontrolled burning and environmental air pollution. The funding should be procured through soft loans from the SDF. In addition, to tackle falling prices, a complete rethink of cogen pricing needs to happen to incentivize this industry to use bagasse and the other biomass.

Source: Maharashtra Energy Development Agency
https://www.mahaurja.com/meda/en/grid_connected_power/bagasse
And, NITI Aayog Task Force Report

Thermal Power Industry in India

- Global proven crude oil reserves are estimated at 1730 bn barrels, proven natural gas at 196.9 tn cubic meters, and proven coal at 1,055 bn tonnes.
- The target of electricity generation from conventional sources for the year 2020-21 was fixed as 1330 bn Unit (BU).
- Total installed generation capacity of 384GW transformed country from a power deficit to a power surplus country.
- The installed generation capacity is around 379 Giga Watt which is more than adequate to serve the electricity peak demand of 190 GW.
- Total Coal reserves in India are estimated to be 326.50 bn tonnes, out of which 155.61 bn tonnes are proven reserves. Proven natural gas reserve measures up to 1233 bn cubic meters (BCM), as reported in March 2018.
- NTPC Group achieves over 100 bn Units of cumulative generation in the current financial year that indicates improved performance and an increase in demand for power.
- India is well on its way to achieving and surpassing its nationally determined contribution (NDC) target which was 40% capacity by non-fossil-fuel sources by 2030.
- India is the third-largest producer of electricity and consumer of energy.
- Arunachal Pradesh state has one of the highest potentials for generating hydro-power in India. It is divided into five river valleys having immense hydropower potential, currently estimated at 50,328 MW, or approximately 22%of India's current power generating capacity.
- Power consumption moderated from its double-digit YoY growth in October, it grew at 3.5 per cent in November, signalling sustained recovery in commercial and industrial activity as compared to a growth of 4.6 per cent in September 2020.
- Conventional power generation capacity to be commissioned by 2024-25 is at various stages of construction in the country which includes Thermal 36,765 MW, Hydro 10,164.50 MW and Nuclear 4,800 MW.

- The Hydro based generation has decreased by 8.22% and Nuclear based generation has increased by 4.60% during December 2020 as compared to last year during the same period.

  (Source:https://www.msmekipathshala.com/webkype/assets/pdf/MAKE%20IN%20INDIA/THERMAL%20POWER%20-%20Make%20In%20India.pdf)

Ethanol blended Petroleum Programme

In order to find a permanent solution to address the problem of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol. Government has fixed target of 10% blending of fuel grade ethanol with petrol by 2022 & 20% blending by 2025.

Till year 2014, ethanol distillation capacity of molasses-based distilleries was less than 200 cr litres. Supply of ethanol to OMCs was only 38 crore litres with blending levels of only 1.53 % in ethanol supply year (ESY) 2013-14. However, in past 7.5 years, due to the policy changes made by the Government, the capacity of molasses-based distilleries have been doubled and are currently at 519 cr litres. Capacity of grain-based distilleries are presently about 268 crore liters.

Production of fuel grade ethanol and its supply to OMCs has increased by 5 times from 2013-14 to 2018-19. In ESY 2018- 19, we touched a historically high figure of about 189 cr litres thereby achieving 5% blending.

In previous ethanol supply year 2020-21 (December - November), about 302 cr ltrs ethanol was supplied to OMCs to achieve 8.1 % blending levels. It is likely that we will be achieving 10% blending target by 2022. With a view to support sugar sector and in the interest of sugarcane farmers, the Government has also allowed production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar.

Government has been fixing remunerative ex-mill price of ethanol derived from C-heavy & B-heavy molasses & ethanol derived from sugarcane juice/ sugar/ sugar syrup for ethanol season to encourage mills to divert excess sugarcane to ethanol. The cabinet committee on Economic Affairs chaired by Prime Minister, has given its approval for fixing higher ethanol price derived from different sugarcane based raw materials under the EBP Programme for the forthcoming sugar season 2021-22 during ESY 2021-22 from 1st December, 2021 to 30th November, 2022. The price of ethanol from C heavy molasses route be increased from ` 45.69 per litre to ` 46.66 per litre. The price of ethanol from B heavy molasses route be increased from ` 57.61 per litre to ` 59.08 per litre. The price of ethanol from sugarcane juice, sugar/sugar syrup route be increased from ` 62.65 per litre to ` 63.45 per litre, additionally, GST and transportation charges will also be payable. 6.30

In sugar seasons 2018-19 & 2019-20 about 3.37 & 9.26 LMT of sugar was diverted to ethanol. In previous sugar season 2020-21, about 22 LMT of excess sugar was diverted to ethanol. In current sugar season 2021- 22, it is likely that about 35 LMT of excess sugar would be diverted to ethanol. By 2025, it is targeted to divert 50-60 LMT of excess sugar to ethanol, which would solve the problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers.

Source: Annual report (2021-2022) from the Department of food and Consumer Affairs

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 19, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 84 and 156, *respectively of this Draft Letter of Offer, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Financial Statements and Limited Reviewed Financial Statements.*

OVERVIEW

We are an integrated sugar and other allied products manufacturing company operating from Belgaum District in the State of Karnataka which is designated as one of the "High Recovery zones" for sugar production by Government of India. We operate a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar we also manufacture other allied products like Rectified Spirits, Extra-Neutral Spirits, Vinegar, Compost, Carbon dioxide (CO_2), etc. and are further engaged in the generation of Power for captive consumption as well as external sale. Our business can hence be broken up into four main segments namely Sugar, Co-Generation, Distillery, and Vinegar.

In the year 2001, we commenced operations of manufacture of Distillery products such as Ethanol, Rectified Spirit and Extra Neutral Spirit. In the year 2006, our Company implemented backward integration and began commercial operations for Sugar manufacture from sugarcane, along with Co-Generation capabilities. Currently our integrated unit processes sugarcanes to produce sugar and the by- products are used to generate electricity for captive use and commercial sale, manufacture rectified spirit, ENA, Vinegar, Press-mud and Compost. Over the years, we have expanded the production / manufacturing capacities of all our products. Our present licensed manufacturing capacity for our various products is given below:

Sr. No.	Product	Current Approved Capacity
1.	Sugar	2,42,000 Tons / Year
2.	Bagasse	6,60,000 Tons / Year
3.	Molasses	88,000 Tons / Year
4.	Rectified Spirit/Ethanol	1,20,000 KL / Year
5.	Extra Neutral Alcohol (ENA)	21,000 KL / Year
6.	Electricity / Power	4,96,800 MW / Hr
7.	Brewed Vinegar	10,350 KL / Year

(1) The above licensed capacities are equivalent to a total Sugarcane crushing capacity of 11000 TCD working for approximately 200 days per year (Crushing Season) at an average 12% recovery rate for sugar, 30% for Bagasse and 4% for Molasses and 6.5% in case of B heavy Molasses

Production of sugar, power and distillery products requires our Company to adopt stringent Quality Assurance and Quality Control standards (QA/QC). We have set-up indigenous laboratories for each department which ensure that quality of raw material used in the production process and also the finished goods delivered to our customers is subject to various tests. To access and facilitate compliance with applicable requirements, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our Company has obtained FSSC 22000 Version 5.1 certification, vide Certificate Registration Number 44 295 22393778 the highest in Quality and Safety in sugarcane milling, clarification, juice evaporation, crystallization, centrifugation of massecuite, drying, grading and packaging of sugar in PP bags issued by TUV Nord GmBh issued on October 3, 2022 and valid until October 2, 2025. Our Company has received a certification from Eurofins Assurance India Private Limited on December 23, 2022 with validity upto January 29, 2024 vide certificate reference number F_EI0180_2022 with grade A+ for manufacturing of brewed vinegar from cane spirit by aerobic fermentation and ultrafiltration, packed in bulk into trunks or drums.

During the production of sugar; bagasse and molasses are produced which are the basic raw materials for power generation and Distillery (Spirit) manufacturing unit, respectively. The sugar unit of our integrated production facility first crushes sugarcane to extract juice and processes the juice to produce sugar. The sugar manufactured is then graded and packed based on the size of crystals and quality of the sugarcane. During the last fiscal year, we produced 92,700 tonnes of sugar. After extracting the juice from sugarcane, the residual fibre leftover called Bagasse is used as a fuel forpower generation. The molasses used in the process of sugar production is fermented and distilled to manufacture various spirits (Rectified

Spirit and Ethanol) in the distillery unit of our integrated production and manufacturing facility.

Bagasse is the fibrous residual matter used as a bio-fuel to generate steam in high pressure boilers for turning turbines to generate electricity. We obtain enough Bagasse during the crushing seasons, such that the electricity produced is used not just for captive consumption, but also for sale. We sell the co-generated electricity produced at our manufacturing facility under Open Access Arrangement.

Molasses is the viscous product resultant of refining sugarcane juice. Molasses, which forms the primary raw material for the distillery unit, is fermented, distilled and made to undergo various processes for making rectified spirit and extra neutral spirit. Rectified Spirit is processed to manufacture Industrial Vinegar. During the last financial year, we manufactured approximately, 13779.00 KL of Industrial Vinegar, 2081.93 KL of Rectified Spirit and 25328.51 KL Ethanol.

Further the waste water extracted from Distillery unit is called as spent wash which is further mixed with mud to form Compost / Organic Manure, which is supplied back to farmers for cultivation of their fields which ensures higheryields. Further the company has set up a CO_2 plant also. Thus, we believe that nothing is wasted, as every single output whether residue or by-product is utilised.

The Revenue Model of the Company for March 31, 2022 is as below:

Our income from the sugar business formed approximately (in lakhs) Rs. 29,677.27, Rs. 29,800.92 and Rs. 26,842.12 of our total net sales in the F.Y. 2020, F.Y. 2021 and F. Y. 2022, respectively;

Income from the co-generation business formed (in lakhs) Rs. 2,258.20, Rs. 2678.80 and Rs. 2,480.75 of our total sales in the F.Y. 2020, F.Y. 2021 and F.Y. 2022, respectively;

Income from the Distillery business formed (in lakhs) Rs. 1,565.16, Rs. 5,859.44 and Rs. 15,042.56 of our total sales in the F.Y. 2020, F.Y. 2021 and F.Y. 2022, respectively.

Our revenue from operations for the last 3 years i.e., F.Y. 2019-20, 2020-21 and 2021-22 were (in lakhs) Rs. 37,673.60, Rs. 42,646.38 and Rs. 46875.10.

Our Company reported losses in 2019-20 mainly due to high sugarcane price and competitive sugar prices.

Our net profits/loss for F.Y. 2019-20, 2020-21 and 2021-22 were (in lakhs) Rs. 788.05, Rs. 829.29 and further Rs. 6016.04 respectively.

As on March 31, 2022, our Company had 849 employees.

OUR OPERATIONS

Following is our detailed revenue breakup on standalone basis for the financial years ending March 31, 2020, 2021 and 2022:

(Rs in lakhs)

S. NO.	Particulars	FY 2020	FY 2021	FY 2022
1.	Manufacturing	37,673.60	42,646.38	46,875.10
2.	Trading	0.00	0.00	0.00
3.	Job Work	0.00	0.00	0.00
Total		**37,673.60**	**42,646.38**	**46,875.10**

Our Competitive Strengths

Experienced Promoters and strong Executive Team

Our Promoters are engaged in the business of distillery and sugar production from sugarcane for more than a decade and have thus established a proven background and rich experience in the sugar and derived product industry. In the year 2001, our Promoters were part of the commencing business of a small distillery unit in Bellad, near Belgaum, Karnataka with a capacity of 35 KLPD. With their business acumen and foresight, our Promoters, in the year 2006, undertook backward integration and started the sugar production unit and also a co-generation unit with a capacity of 2500 TCD and 14 MW respectively. With the continued support of the farming community in the area we were able to expand our sugar unit capacity from 2500 TCD to 5500 TCD in the year 2009. This further led to the enhancement in our power generation capacity from 14 MW to 36.4 MW. Today our Company has an integrated manufacturing unit forproducts ranging from

Sugar to electricity generation, rectified spirit, vinegar to compost, thus utilizing technically the entire waste from sugar production.

Also, our Company and our Promoters are aided by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the sugar production & derived product manufacturing business will enable us to continue to take advantage of both current and future market opportunities. It is also expected that our management personnel's experience will help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent agents, and fluctuations in sugar and sugarcane prices.

Our team includes senior executives and managers, many of whom are having over 15-20 years' experience in the engineering and sugar industry. We believe our management and executive team has the long-term vision to provide stability and continuity to our businesses.

Wide range of products

The process of production of sugar produces various residual materials and by-products like Bagasse and Molasses. These residual materials are used by us as raw materials for manufacturing further products. The Bagasse, which is a dry residue after the sugar production process is used to generate electricity by burning the same in the Boilers. Molasses is used in the distillery unit to make a range of products like rectified spirit and ENA, and the rectified spirit so produced is used in the production of Industrial Vinegar. Also, surplus Molasses is sold directly to other distillery units. Further, the mud generated in the sugar process is used along with certain distillery unit wastes to produce CO_2, press mud and compost.

The customers of different products cover a wide range of industrial sectors like FMCG, Government agencies, Food industry and Cold Storage industry to name a few. The above wide range of products gives us a large market for each product. We have made sugar sales to various wholesalers, FMCG companies and also to local and state government agencies. The Industrial Vinegar manufactured by us is mainly sold as preservatives and also for certain industrial uses. Further, other by- product like CO2 is sold as a gas and liquefied CO2 which has different applications in several industries from medicine, food storage, electronics and agriculture. Once the sugar production is started, we are in a position to always provide raw materials to the other products in sufficient quantities for captive consumption and also for external sale. For further details, regarding our product portfolio, please refer chapter titled "*Our Business*" on page 57 of this Draft Letter of offer.

Integrated operations and economies of scale

We have integrated operations enabling us to meet the time, cost efficiency, quality and quantity requirements. The residual material and by-products generated from the production process of one product is used as a raw material for manufacturing another product. Thus, our diversified but integrated business model provides most of the necessary raw materials in-house for the various business segment products leading to reduced costs and control over the input material. Our unit has been setup such that the residual materials from one production process are transported to their respective product units either via pipes or conveyor belts or other in-house transport mechanism. This provides us seamless flow of raw material for all our products and also enables us to transport the surplus materials, if, any, for direct sale. This integration allows us not only to save enormous costs and have less dependence on third party for input materials, but also helps us achieve economies of scale by controlling the inputs / production based on each previous process, improving our efficiency and margins.

The main raw material for production of our various segments is sugarcane and our integrated unit processes each component of the sugarcane to manufacture a variety of products relating to the food and beverage industry. Further, with approximately 49 villages from whom we procure our sugarcane produce uninterruptedly till date, we are also ableto achieve economies of scale by bulk buying from the farmers.

Strong Technological Capabilities

Our integrated manufacturing unit situated at Bellad-Bagewadi has been installed with various latest machinery and technology. We have installed the Distributed Control System (DCS) at our sugarcane milling and co-generation facilities for precision system management. The DCS is a type of automated control system that is distributed throughout a machine to provide instructions to different parts of the machine. Instead of having a centrally located device controlling all machines each section of a machine has its own computer that controls the operation. DCS is commonly used in manufacturing equipment and utilizes input and output protocols to control the machine. The entire system of controllers is connected by networks for communication and monitoring. The successful installation of the DCS which enables us to achieve reduced cost, reduced environmental effect, higher efficiency and reduced response time, reliability of equipment,

ease of maintenance and conservation of energy.

We have also installed the latest machineries for our Distillery and Vinegar units. The machinery used for manufacture of Vinegar has been imported from Germany and we use the latest technology for processing the diluted ethanol into Vinegar.

Strategic location of our manufacturing unit

Sugarcane is the principal raw material used for the production of sugar. Our business depends on the availability of sugarcane and any shortage of sugarcane may adversely affect our results of operations. After de-regulation of the sugar industry, there are no restrictions on the farmers to sell their produce to any particular sugar unit. However, due to our continued relations with the farmers, are regular and advance payments, assistance with high quality seeds and timely aid in harvesting and transportation of the cane, we have ensured continuous supply of sugarcane from a large number of farmers in the nearby villages in our vicinity and other areas. As per the earlier cane area allotted order to our Company by the Sugarcane Commissioner, Bangalore, there were 28 villages in Taluka Hukkeri, 12 villages in Taluka Chikkodi and 9 villages in Taluka Gokak in Belgaum District reserved for the supply of sugarcane to our factory.

Over the period of time, there has been a considerable increase in the acreage of sugarcane cultivation in the nearby villages thus increasing the sugarcane growing areas. To tap this increase, in the F. Y. 2021-22 increased our installed capacity .and we crushed more than 11,00,000 MTs of sugarcane as compared to over 9,00,000 MTs in the year prior to that. Also, having a large sugarcane supply base ensures that, in times of cane shortage, due to its long-standing relationships with farmers, the factory gets a considerable share of the cane available in the vicinity of our factory. Also, a simultaneously large sugarcane crushing capacity also ensures a larger stock of Bagasse for the co-generation ofpower, as also a substantial increase in the Molasses available for our distillation business.

Besides, our factory unit is located approximately 70 kms from the main city of Belgaum, which has established road and rail connections to various major cities like Bangalore, Chennai, Mumbai, Pune and Goa. The air route from Belgaum is also constantly growing which enables certain urgent transportation possible.

Cordial and strong relationships with sugarcane farmers

We had approximately 49 villages allotted to us under the cane area allotment order by the Sugarcane Commissioner of Bangalore, in the vicinity of our factory unit and have cordial relations with every farmer in the nearby areas. We have maintained good and cordial relations with large sugarcane growing farmer base so as to ensure un-interrupted supply of sugarcane and within the required time period. Besides making timely payments to sugarcane farmers, we provide them with high-quality sugarcane seeds at subsidized rates, thus being an integral part of the cane development process.This not only helps us in ensuring the supply of sugarcane to us but also ensures quality of the sugarcane so that the recovery from these sugarcanes is good. We have entered into agreements for harvesting and transporting of sugarcane produced by the farmers, for no cost to the farmers. The harvesting and transporting groups are paid by our Company and this cane procurement activity ensures the harvested produce is transported to our factory for crushing.

Besides, the raw material procurement, our Company has also established many shops, local hotels and eating places for the convenience of the farmers when they come to our factory unit to sell their produce. These amenities keep the farmers happy and help us build and maintain a good and cordial relationship. Despite the cyclical nature of the sugar industry, we keep strong ties with the desired sugarcane growing farmers. We believe that these relationships are a competitive advantage as farmers have no obligation to sell their produce to us and they are free to sell to any sugar factory. Also, assisting the farmers with seeds, irrigation etc., ensures that the farmers do not switch to other crops that may be more profitable.

Captive Power plant and exportable capacity

Power is an important factor in every manufacturing facility. Considering the integrated nature of our manufacturing unit and its corresponding power requirements, we have installed a power plant with electricity generation capacity of 14 MW and 22.4 MW (from Bagasse / Coal). Our entire electricity requirement during the crushing season is met out of the electricity generated by us in-house. Also, the captive power generation gives us stable and uninterrupted power supply which is very crucial in manufacturing of our products. It further gives us steady and quality supply of steam forour various processes in the sugar, co-generation and distillery units. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring optimum utilization of our capacities and reducing external electricity costs, especially during the crushing season.

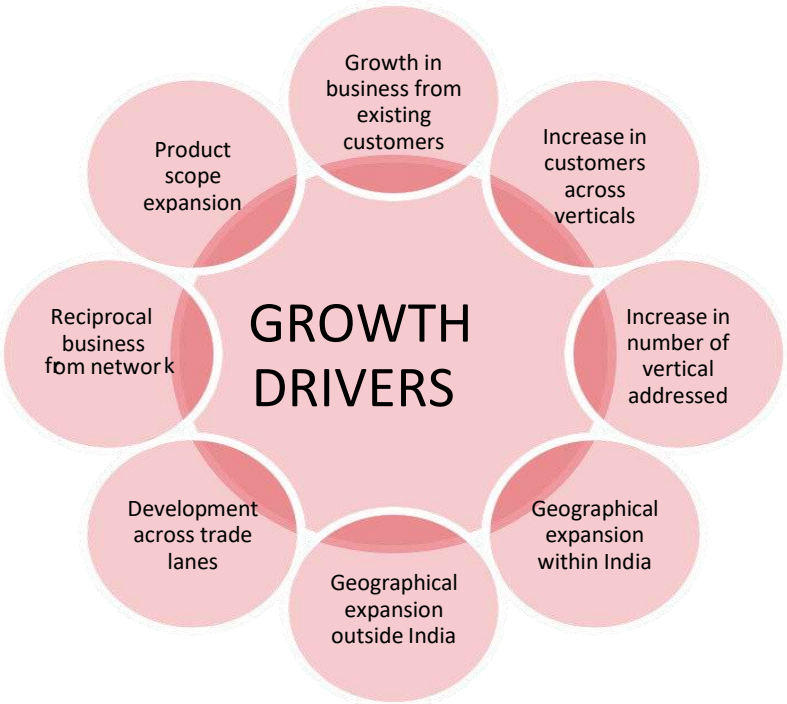
With a total co-generation capacity of 36.4 MW, we ideally use approximately 11MW for our captive consumption. The remaining electricity generated is sold to third parties through an open sale.

Further, we have installed various energy saving devices at our production facilities such as planetary gear boxes, variable frequency drives, swing type fibrizor, high efficiency pumps and energy efficient motors which help us reducing the consumption of energy in our crushing operations. We have also installed planetary gear boxes in our boiling house section and have further introduced energy efficient condensers and unforced cooling tower as power saving measures. Similarly, in the co-generation unit, our power consumption has been reduced due to installation of a spray pond instead of forced draught cooling tower. Due to the implementation of the above measures, we have been able to reduce our captive consumption leading to higher availability of exportable power.

For risks related to our business, our Company and our industry, see chapter titled "*Risk Factors*" on page 19 of this Draft Letter of Offer.

OUR STRATEGIES

Our strategic objective is to improve and consolidate our position as a sugar manufacturer with a continuous growth philosophy. The diagram below represents our continuous growth philosophy being implemented on a day-to-day basis.



Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation and marketing.

Increasing operational efficiency

Our product portfolio consists of sugar and various other products manufactured by processing its residual products. Hence operational efficiency for each product is related to its previous product's efficiency and quality. We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, increasing recovery rate through timely sugarcane crushing, technology development throughout the products, consistent quality and customer service. We also strive to achieve alignment of our people towards 'process improvement' through change management and upgrading of skills for latest technology and as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

Explore possibilities of geographical expansion

Our Company is currently situated in the area of Bellad, Bagewadi and our Company intends to propose to explore other geographical locations within the Belgaum District. Our Company, with intent of exploring new location with significant sugarcane cultivation area and abundant sugarcane growth has acquired a land of approximately 9 acres and 12 Gunthas by way of 'Full Paid Power of Attorney'. For details of the land purchased, please see the chapter titled "*Properties – Our Business*" on page 76 of this Draft Letter of offer. However, our Company is still at planning stage

and has neither finalized any specific utilisation for the said land nor any plans have been put forth regarding the funding, capacity, products and other details.

Augment our fund-based capacities in order to scale up business operations

The sugar industry is characterized by high debtors and advance payments to farmers and harvesting & transportation agents. Our customers, mainly being entities in the food, petroleum, beverages, and also government agencies, we generally offer substantial credit period to them. Further, during the crushing season, we have to make advance payments for various minor raw materials, utilities and other services so as to carry out the un-interrupted crushing. Thus, our operations are working capital intensive.

It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better negotiate with sugarcane suppliers. With the de-regulation of the sugar industry, farmers are free to sell their produce where they like and are notobligated to sell any portion of the same to us. Better liquidity will also provide us with sufficient incentives to ensure the farmers prefer us for selling their sugarcane produce in each season. Also, we invest a portion of our working capital to provide some of our farmers with high quality seeds for better crop quality. Additional working capital will enable us to offer such high-quality seeds on larger quantities and to a large farmer base. Funding this working capital requirement from the proceeds of the Fresh Issue will also enable us to save a considerable interest cost due to lower working capital borrowings. For further details regarding the working capital being raised through this Offer, please refer to chapter titled "*Objects of the Issue*" on page 40 of the Draft Letter of offer.

DETAILS OF OUR BUSINESS

LOCATION

We have setup our integrated facility over an area of around 132.85 acres (57,86,946 sq. ft.) which houses our Registered Office, Manufacturing Unit, Packing Unit and Storage Unit. All of these units are located in close proximityto each other within the facility. Our entire premise is located at Bellad Bagewadi, District, Belgaum, Karnataka - 591 305.

For further details of our properties including the above location, please refer to chapter titled "*Our Business*" on page 57 of this Draft Letter of Offer.

OUR PRODUCTS

Our Company is engaged in the business production of sugar and manufacture of other products including Distillery (Spirits) products, Vinegar, other by-products and also in the co-generation of power.

SUGAR

Our Company is involved in the process of production of sugar, with a total capacity crushing capacity of 8,500 tonnes per day. Sugarcane being a seasonal crop, the sugar manufacturing majorly takes place during the sugarcane period of October to April known as Crushing Season. We use modern technology which enables us to optimally utilize the available resources to ensure maximum crushing capacity and thereby maximize the production of sugar. We have a total licensed sugarcane crushing capacity of 11,000 TCD and installed sugarcane crushing capacity of 8,500 TCD.

The sugar produced by us is differentiated on the basis of the size of the sugar crystals. These types are termed as M, M2, S1, S22 and S30 which are in descending order of the size of the crystals.

Since the de-regularization of Sugar, Our Company has developed a robust marketing and sales team which liaisons with various major brands. We sell our manufactured sugar to various wholesalers, stockists and also to several FMCG companies throughout the country, who use sugar for manufacture of various biscuits, confectionery and beverages.

Plant & Machineries

Our Company uses modern technology which enables us to fully utilize the available resources to ensure maximum crushing capacity and thereby maximizes the production of sugar. We have installed latest machinery including a fully automated milling tandem by installation of Distributed Control System (DCS). We have highly automated sugar production facility with plant & machinery ranging from cane loading / unloading cranes, cane cutting machines, mill tandems, different juice heaters, Air Compressors, sulphitation tanks, evaporators, centrifuges, crystallisers, hoppers and automated carriers, elevators and relay belts for transferring products from one process to another. We confirm that our Company has not acquired any second-hand machinery for this unit.

Raw Materials

Sugarcane

Sugarcane is the only and basic raw material for all our product segments. Our Company purchases all our required sugarcane directly from farmers. Currently, we purchase sugarcane from estimated 25,000 - 30,000 farmers who are majorly within and around the area where our manufacturing unit is situated. These Farmers growing sugarcane are based in approximately 49 villages allotted to us around our production facility. We offer sufficient incentives, infrastructure and assistance in various stages of cultivation, thus ensuring loyalty from these farmers. We also appoint contractors who are responsible for harvesting and transporting the sugarcane from the farms to our factory. Further, our Company has and will continue to maintain good relations with the sugarcane farmers in our vicinity which ensuresuninterrupted supply of sugarcane to our factory during the crushing season.

Sugarcane Cultivation

We have undertaken several initiatives to improve sugarcane production in our area, and also on improving cane quality and hence recovery, and at the same time developed good relations with the farming community of the area.

Sugarcane development initiatives undertaken by us include conversion of other crop areas to sugarcane cultivation, field-extension activities, providing quality seeds and agri-inputs to the new farmers in the area. Commercial and Co- operative banks have been associated with us in our effort for such activities. Apart from this we have also been associated in helping farmer groups develop irrigation sources like check dams, percolation tanks, individual/group lift irrigation schemes, sump-wells as well as taking up land development to bring additional acreage under cultivation especially the land which is either barren or unsuitable for growing sugarcane in its present state. We have designated areas for cultivation of high quality sugarcane studs which are distributed to various famers as high quality seeds on a subsidized rate.

Our sugar production is based on the grade of sugarcane procured by us. Different grade / types of sugarcane have different recovery rates. Some of the major grades of sugarcane used by us are given below:

Sr. No.	Sugarcane Grade	Description and Quality
1.	COC 671	The Variety CoC671 is sugar rich, early maturing and high sucrose variety. Also very vigorous and quick growing and having good filed keeping quality.
2.	CO 8011	It is mid-late to late maturing variety, sparse/late flowering. Also it is a high fibre variety and good ratooning ability. Low sucrose content variety.
3.	CO 86032	Co 86032 is a medium maturing variety. Grows well in all soil types, has multi – rationing potential, can be grown throughout the year.
4.	CO 94012	This variety has high cane yield. Improved Plant and cane productivity with better juice quality. Moderately tolerant to drought and salinity.
5.	CO 2001-15	It is a mid-late maturing sugarcane variety suitable under normal and drought conditions. The canes are tall and medium thick with light canopy.
6.	CO 740	This is a high yielding variety of sugarcane both in plant and ratoon crops and is suitable for late crushing and adasali planting

Besides the above many other varieties like CO 92005, CO 92020, CO 98012, CO 9805, COM 0265, CO 434, CO 86038, SNK 7680, CO 419, CO 8011, etc. are used by us, depending on the availability.

Manufacturing Process

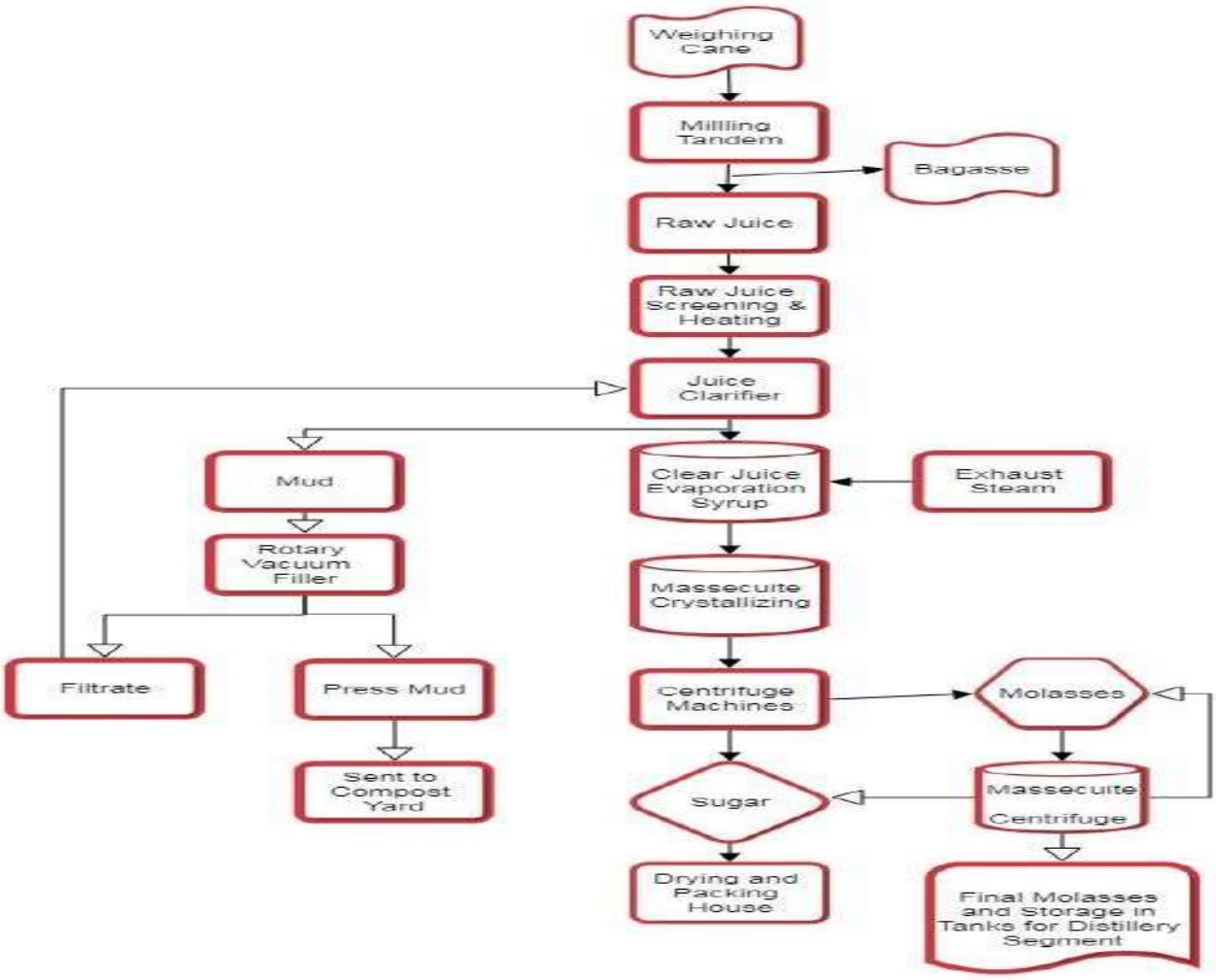
We obtain sugarcane from various farmers who are within and around the area where our manufacturing unit is situated. Once the sugarcane is received by us, we weigh them to ascertain the quantity of sugarcane received by us so that the farmers can be paid accordingly.

The sugarcane is fed on to the cane feeder through the loader. The sugarcane undergoes cutting, levelling and fiberising through the conveyor belt thereby preparing the cane for the milling process. We have 5 milling tandem one after the other where the cane is crushed and raw juice to the extent of 95% - 98% is extracted from it at each level.

The leftover after extraction of raw juice is called bagasse. This bagasse is used by the boilers as bio-fuel for steam generation. The steam generated is used for the rotation of turbines which in turn generates electricity, which is used for captive consumption and supplied to clients.

The raw juice so extracted passes through the rotary screen where the raw juice is strained for major particles of bagasse and other impurities. A reagent, Phosphoric Acid, is added to the strained juice which clarifies the final impurities in the strained juice. The juice is then transferred to the Boiling containers and is subjected to various degrees of heating. Once it passes through the initial heating process, milk of lime and Sulphuric Dioxide is added. The juice is heated in various stages and at varying temperatures ranging from 79° C to 99.5^{o} C.

The output from heating the juice is processed into the juice clarifier and clear juice is extracted by heating the clear juice at a very high temperature of 110° C.



The output from the above process is then inserted in the Multiple Effect Evaporation System which results in Syrup like substance and stored in Syrup supply tanks. The Syrup in the Syrup supply tank is then subjected to the process of Crystallizing and Massecuite in various centrifuge machines giving us sugar crystals.

The viscous product which does not result in sugar is called as Molasses. Molasses is subject to the process of Crystallizing and Massecuite and is further processed in the centrifugal machines for production of sugar. This process is repeated until no further processing is possible. The leftover is stored in the storage tank, and used in the distillery segment for manufacture of distillery products.

The crystallized sugar produced is dried, graded and weighed into various categories based on the size of the crystals and is packed in bags of 50 kgs each.

CO-GENERATION

The activity of sugar manufacturing results in the residue Bagasse, which is used as a bio-fuel for boilers to generate steam and for the rotation of turbines which generates electricity. Our co-generation unit has an installed capacity of total 36.4 MW divided into two turbine generators set of 14 MW and 22.4 MW.

Electricity is a unique commodity which cannot be stored and has to be consumed the moment it is generated. The electricity is partly consumed by our other manufacturing units like Sugar, Distillery and Vinegar. Besides the captive consumption, our Company has installed and maintains transmission lines which transmit the surplus electricity generated by us to our clients. However, in times of lower captive electricity consumption, we sell the electricity through open access market.

Plant & Machineries

For generation of electricity, we have installed two (2) boilers, one with a capacity of 70 TPH and the other with a capacity of 80 TPH. Besides, our co-generation unit is equipped with various other state-of-the-art machinery including2 turbine generation set for 15 MW and 22.4 MW, transformers, alternators, isolators and various boiler and turbine auxiliary machines. We confirm that our Company has not acquired any second-hand machinery for this unit.

Raw Materials

Bagasse

Bagasse is the fibrous residual material that is left after juice has been extracted from sugarcane. The bio-fuel is used for the boilers which generates steam this high-pressure steam is blown through the turbines which and is responsible for rotation of turbines. The rotation of turbines generates electricity. The entire bagasse produced as a result of the cane crushing process, is used for the electricity generation process.

Coal

During off seasons, i.e. May – September, if there is a requirement of production of electricity we procure coal and use the same as bio fuel by burning the same in the Boilers. During this season no crushing takes place and hence there is no supply of bagasse. In this period to continue to generate electricity, we use coal as fuel in the boilers. Also, during crushing season, in case of shortfall of bagasse due to various reasons, we procure coal to fulfil our captive and electricity requirements. Coal is procured through various local and other domestic traders.

Manufacturing Process

The leftover fibrous material after extraction of raw juice from sugarcane is called Bagasse. The technology adopted in co-generation is the Combined Heat and Power cycle, wherein heat and electrical energy is derived from a common source, in our case Bagasse. Bagasse from the mills is carried into the 2 boilers through an automated conveyor belt carrier and used as fuel in the boilers to generate steam. We have two Boilers having 70 TPH and 80 TPH capacities. The burning of fuel results in steam generation which is injected into turbines where it expands and rotates the turbine at high speed, which in turn rotates the alternator to generate power. This power is used to meet the power requirementsto operate the plant and the excess power generated is fed to the grid after upgrading it to 110 KV. The exhaust steam from the turbine, which is at a comparatively low-pressure, is used for boiling in the sugar process.

Also, both our boilers are also equipped to burn coal. This enables us to produce power during off-seasons. Further, the residual steam leaving the turbines still has certain amount of energy, which is utilized in the sugar plant for juice & syrup boiling.

The boilers and turbines of our co-generation plant are equipped with Distributed Control System (DCS). One (1) boiler is installed with Electro Static Precipitator (ESP) and the other boiler has Venturi Wet Scrubber as the air pollution control equipment in order to keep the emissions from the boiler within the prescribed norms of the Pollution Control Board.

DISTILLERY PRODUCTS

Our Company manufactures Distillery products like Rectified Spirit & Ethanol from molasses.

Rectified Spirit is a highly concentrated spirit which has been purified by means of repeated distillation. Currently our distillery unit has an installed capacity of 35 KLPD of Rectified Spirit and 30 KLPD of Neutral Spirit. Ethanol produced after fermentation and distillation of Molasses can be further purified into Fuel Ethanol, by removing the water content. The Government has recently amended the Sugarcane (Control) Order, 1966 vide order S.O. 3663(E)/Ess.Com./Sugarcane dated July 26, 2018 wherein sugar factories have been allowed to manufacture Ethanol from B-Heavy Molasses. Thus our Company intends to manufacture Ethanol which contains a minimum 99.6% ethyl alcohol that is used for blending with petrol and other fuel products. This ethyl alcohol is extracted from the residue mixture using fractional distillation process.

Fuel Ethanol contains various impurities like Esters, Aldehyde and Ketones which needs to be removed to make the Ethanol potable. Once it is re-distilled, the product obtained is devoid of impurities and is odourless which is called Extra Neutral Spirit / Extra Neutral Alcohol (ENA). Ethanol is also denatured and can be used for industrial use.

Plant & Machineries

We have installed the latest machinery for fermentation, distillation, blending processes required for manufacture of Rectified Spirit, ENA. The major plant and machineries used in our distillery unit includes various types of condensers, separators, Aldehyde column, coolers, boilers & re-boilers, decanters and tanks, rotameters and pumps. We also use 2 small boilers in the distillery unit for 12 TPH and 10 TPH. The effluent treatment machines used post the distillation process includes bio-digester, various pumps, biogas breakers, air compressors, vacuum breakers, vents and tanks.
We confirm that our Company has not acquired any second-hand machinery for this unit.

Raw Material

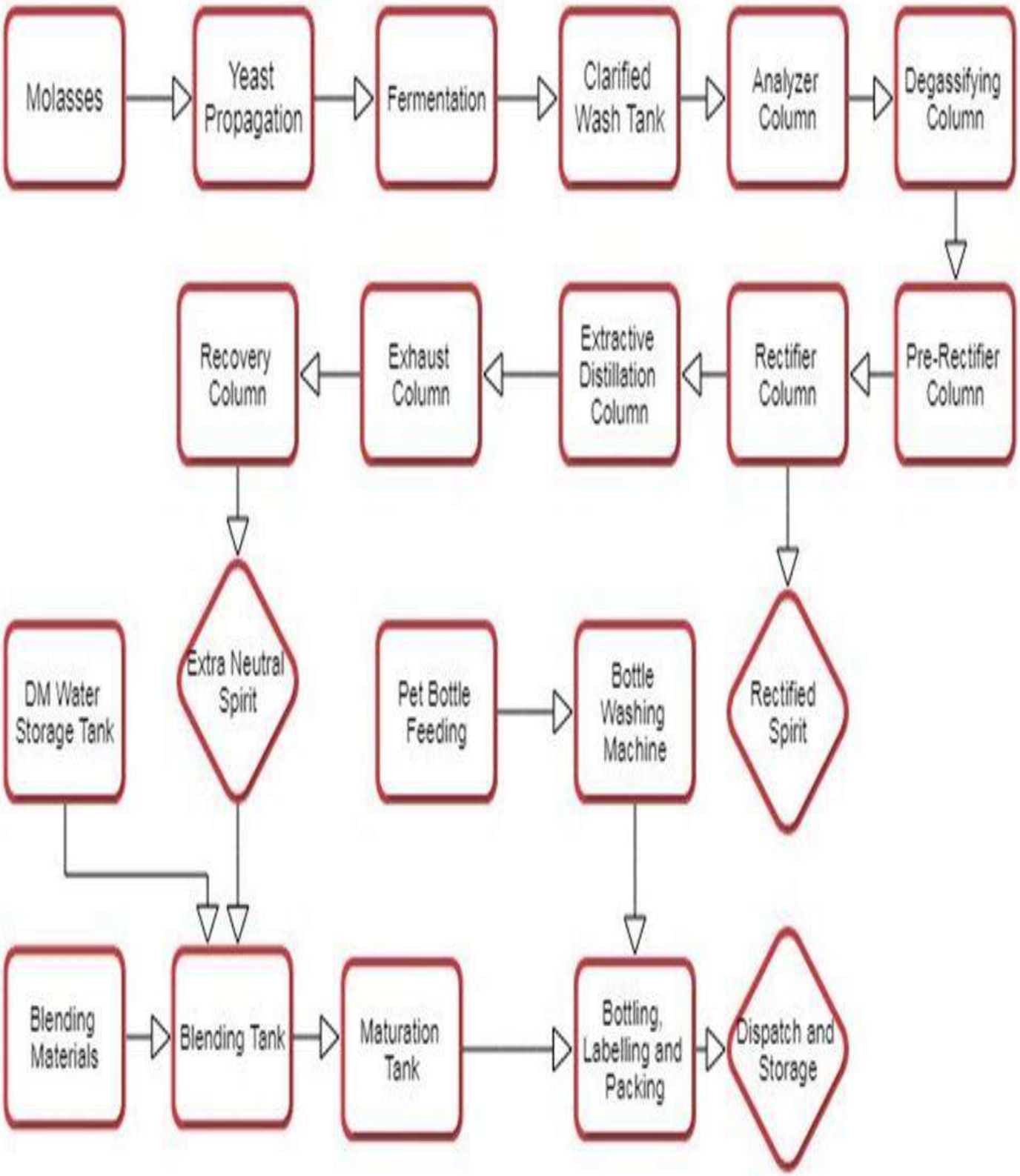
The main raw material for production of Rectified Spirit is Molasses, which is a by-product of sugar production process. Molasses retains some amount of sugar, but this sugar cannot be extracted by usual technology used for sugar production. It is used as an input in distilleries where the sugar present in the molasses is fermented into Ethanol / Rectified Spirit. Our Company produces enough molasses for the manufacture of all distillery related products in our Company. Also, after captive consumption, we sell the surplus molasses, if any, to other distillery units.

Manufacturing Process

The manufacture of Rectified Spirit is a two-stage process–

The required amount of acidified yeast is transferred to the pre-fermentation tank and filled with molasses. This mix is allowed to ferment for 5 to 7 hours and during this period the yeast starts its activity. Air is bubbled for a few minutes. After initial fermentation, the mix is transferred to the main fermentation tank and filled with molasses. Fermentation tanks are filled to three forth of their capacity; this is to accommodate the increase in volume due to forming during the periods of fermentation. It takes a total of 40 hours to complete the fermentation process. The end result of the process is “fermented wash” and is transferred to the Clarified wash tank.

The alcohol in the pre-heated Fermented Wash is stripped off by ascending the vapours in the Analyser column. The alcoholic vapours are condensed in the Evaporators in the Integrated Evaporation Machine known as the De-Gassifying Column. The condensed alcoholic vapours are taken to the pre-rectifier feed tank. Analyser Condensate (alcohol condensate) is concentrated in pre-rectifier column, which operates under atmospheric pressure. Condensing steam provides energy to pre-rectifier column through a vertical boiler. A Technical Alcohol cut, of a substantial percentage of total spirit is taken from the pre-rectifier column. Concentrated alcohol draw from the Pre-Rectifier column is fed to extractive distillation column for purification. This process leads to manufacture of Rectified Spirit. It is then transferred to the Azeotropic Dehydration Column and results in production of Ethanol which is either sold or used for captive consumption for manufacture of Vinegar.


Molasses
Yeast Propagation
Fermentation
Clarified Wash Tank
Analyzer Column
Degassifying Column
Pre-Rectifier Column
Rectifier Column
Extractive Distillation Column
Exhaust Column
Recovery Column
Extra Neutral Spirit
Rectified Spirit
DM Water Storage Tank
Pet Bottle Feeding
Bottle Washing Machine
Blending Materials
Blending Tank
Maturation Tank
Bottling, Labelling and Packing
Dispatch and Storage

Spent lees and Rectified Spirit are mixed together in the mixing tank and this mixture is taken to the Extractive Distillation column for heating. The top of the Extractive Distillation column is transferred to the exhaust column where the vapours are condensed whereas the bottom of the Extractive Distillation is transferred back to the Rectifier column to enhance the alcoholic content. The condensed liquid from the Exhaust column is transferred to the recovery column from which Extra Neutral Spirit / ENA is recovered.

VINEGAR

We primarily manufacture vinegar which is non-potable in nature and mainly sold either for industrial purposes or for further processing to convert it as a preservative and for domestic consumption purposes. Basic Vinegar, being a mild acid, has large industrial application mainly as a cleaning agent. However, our major Vinegar sales are for use as a preservative while exporting raw vegetables and fruits. We have an installed capacity for manufacture of Vinegar of 75 KL per annum.

Plant & Machineries

The various plant and machinery used in our Vinegar Unit include an acetator, air aspiration system, filtration unit and various types & sizes of tanks & pumps. We confirm that our Company has not acquired any second hand machinery for this unit.

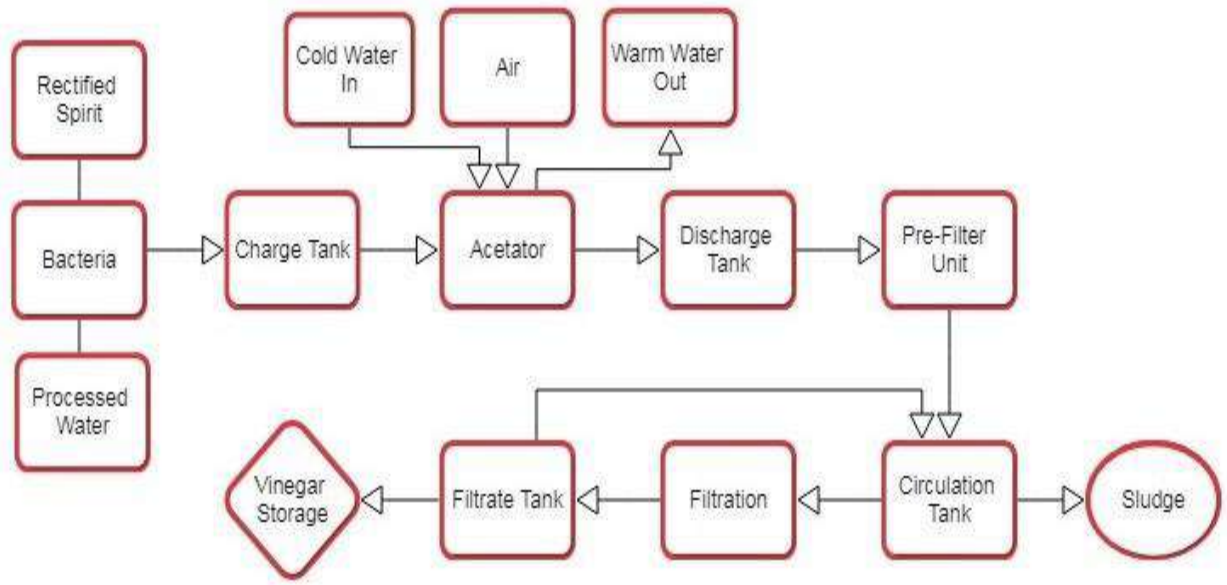
Raw Materials

The basic raw material required for production of vinegar is diluted ethanol which is further fermented. The Ethanol produced by us in the distillery process is used in the manufacture of Vinegar. For the fermentation process, a special bacterium is used, which oxidizes the sugars or ethanol and produce acetic acid during fermentation. We import the bacteria from Germany only once a year and the same is cultivated for a year by our in-house lab chemists.

Manufacturing Process

The raw materials viz. alcohol, water and imported bacteria (collectively called as “mash”) are mixed into the Charge Tank in the correct proportion. The tank is provided with an agitator through a transfer pump to ensure proper mixing of the raw materials.

The acetator facilitates fermentation of the mash under controlled atmospheric conditions. Since conversion of alcohol into vinegar is basically an oxidation process, fresh oxygen is supplied vide natural air aspirator. The temperature required is maintained by circulating chilled water inside a coil mounted within the acetator. The vinegar obtained fromthe acetator is cloudy in nature and requires filtration. The cloudy vinegar is received at the discharge tank and then pumped for filtration. The filtration process may not adequately filter the vinegar to the desired levels and is hence re- transferred to the circulation tank where it is goes through the process again and when no further processing is possible,sludge is released in the sludge storage tank. The filtered Vinegar is stored at the filtrate tank and is pumped to the vinegar storage tank.



OTHER BY-PRODUCTS

Besides the above described products, we generate other captive use and / or saleable by-products, mainly from the manufacture of Sugar and Vinegar.

Carbon Di-Oxide

The process of fermentation of Molasses into Ethanol releases Carbon Di-Oxide (CO_2) gas which is in a crude form. This crude CO_2 undergoes a series of processes including pre-chilling, water scrubbing, chiller compressing and is also passed through an activated carbon filter for purification resulting in Liquefied CO_2. Our Company supplies Liquefied CO_2 to various clients who use it for industrial purposes like chilling and cold storage, industrial cleaning, and also some agricultural uses.

We also sell the Crude CO_2 to Excellences Carbonic Pvt. Ltd. with whom we have entered into an Inclusive Agreement for sale of Crude CO_2 and simultaneously providing to them electricity, water and steam for processing the CO_2 into Liquid CO_2.

Press Mud

Press mud is used as manure in sugarcane fields to increase the fertility of the soil and ensure improved yields. Press mud is produced from the residue which comes out from the factory after the filtration of sugarcane juice. The clarification process separates the juice into a clear juice that rises to the top and goes for manufacture, and a mud that collects at the bottom. Press Mud is used for manufacture of Compost fertilizers. However, Press Mud is also sold to vendors who use it for various purposes such as manufacture of fertilizers, manufacture of cement etc.

Compost

Compost is a organic manure prepared from waste arising from the factory. The composting process involves an interaction between the organic waste, microorganisms, moisture and oxygen. It mainly involves mixing of two waste materials, one from the Sugar manufacturing process (Press Mud) and one from the Distillery unit (Spent Wash). Spent wash is the unwanted residual liquid waste generated during alcohol production. The Compost is an organic matter that has been decomposed and recycled as a fertilizer and soil amendment and is one of the key ingredients in organic farming.

Boiler Ash

Boiler Ash generated from burning bagasse and / or coal in the Boilers installed in our Co-generation unit. It is sold by our Company to various cement and brick manufacturing companies.

INSTALLED CAPACITY

Below is the Installed and Utilized Capacity for the last three years:

Product	Particulars	for the Financial Year		
		2019-20	2020-21	2021-22
(A) Sugar Unit				
Sugar	Installed Cane Crushing Capacity (TCD)	8,500.00	11,000.00	11,000.00
	No. of days worked	95.00	119.00	138.00
	Total Cane Crushed (MT / year)	7,02,776.20	9,08,954.57	11,01,936.28
	Total Sugar Production (MT / year)	77,150.00	79,320.00	92,700.00
	Capacity Utilised (%)	87.03%	69.44%	72.59%
	Total Bagasse Production (MT / year)	2,00,000.00	2,57,705.00	3,11,120.00
	Total Molasses Production (MT / year)	32,469.16	52,770.60	64,300.00
(B) Co-Generation Unit				
Power Generation	Installed Capacity MW	39.00	39.00	39.00
	No. of days worked	169.00	191.00	196.00
	Utilised Capacity MW	18.44	19.21	19.50
	Utilised Capacity (%)	47.29%	49.25%	50.01%
(C) Distillery Unit				
Rectified Spirits/Ethanol	Installed Capacity (KLPD)	35.00	96.00	96.00
	Utilised Capacity (KLPD)	27.60	91.04	94.62
	Utilised Capacity (%)	78.87%	94.83%	98.56%

We have proposed the below Installed capacity and Utilisation for the next three (3) years based on the assumption of normal Sugarcane crop during each year:

Product	Particulars	for the Financial Year		
		2022-23	2023-24	2024-25
(A) Sugar Unit				
Sugar	Installed Cane Crushing Capacity (TCD)	11,000.00	11,000.00	21,000.00
	No. of days worked	120.00	130.00	120.00
	Average Sugar Capacity (MT / year)	13,20,000.00	14,30,000.00	2,77,200.00
	Capacity Utilised (%)	85.00%	90.00%	92.00%
(B) Co-Generation Unit				
Power Generation	Installed Capacity MW	39.00	59.20	59.20
	Utilized Capacity (%)	52.00%	55.00%	60.00%
(C) Distillery Unit[(1)(2)]				
Rectified Spirits	Installed Capacity (KLPD)	96.00	250.00	250.00
	Utilized Capacity (%)	90.00%	92.00%	95.00%
Neutral Spirits	Installed Capacity (KLPD)	75.00	75.00	75.00
	Utilized Capacity (%)	0.00%	0.00%	0.00%
(E) Vinegar Unit				
Industrial Vinegar	Installed Capacity (KLPD)	75.00	75.00	75.00
	Utilized Capacity (%)	50.00%	55.00%	60.00%

[(1)] Our Company is in the process of expansion of its distillery capacity and the construction and installation is under process. The Company will be applying for the increased capacity with the relevant authorities upon completion of the construction and installation work.

[(2)] Based on the amendment to the Sugarcane (Control) Order, 1966 vide order S.O. 3663(E)/ Ess.Com./Sugarcane dated July 26, 2018, our Company intends to manufacture Ethanol from B-Heavy Molasses and accordingly the installed capacity of Ethanol currently is 30 KLPD and relevant applications will be made for the same upon completion of the construction and installation work of the distillery unit.

Our capacity utilisation is primarily based on sugarcane crushed during each Crushing Season and thus there is substantial

fluctuation in the capacity utilisation of majority of our products in case of lower or higher sugarcane availability. Correspondingly, our projected capacities are based on the assumption of normal sugarcane production and thus the projections may be higher than 25% of the actual average production of the last three years. For risks involved, please see the chapter titled "*Risk Factor"* on page 19 of the Draft Letter of Offer.

OUR MAJOR CUSTOMERS & SUPPLIERS

Our Company is primarily engaged in the production of sugar, power generation (electricity), distillery (Rectified Spirit,and Ethanol), Vinegar and other products.

The contribution of the top ten (10) customers to the total turnover of our Company in the last three financial years is as given below:

(Rs in lakhs)

Particulars	For year ended					
	March 2022	%	March 2021	%	March 2020	%
Sales from Top 10 Customers[1]	42,282.91	90.20	23,235.09	54.48	36,614.83	97.19

[1] We confirm that there is no direct/indirect relationship between the customers forming part of the above top 10 and our Company and our promoters/directors.

The contribution of the top five (5) suppliers to the total purchases of our Company in the last three financial years along with the direct/indirect relationship, if any, between such entities and our Company, and our promoters/directors is as given below:

(₹ in Lakhs)

Particulars	For year ended					
	March 2022	%	March 2021	%	March 2020	%
Purchases from Top 5 Suppliers[1]	3,730.91	9.89	2,898.42	10.43	2,938.74	11.79

[1] We confirm that there is no direct/indirect relationship between the suppliers forming part of the above top 5 and our Company and our promoters/directors.

- There is no routine concentration of suppliers as a percentage of total purchases, however, during the F, Y. 2017-18, due to lower availability of sugarcane, we have made substantial purchase for raw sugar leading to high amount of purchases from certain entities in this period.

UTILITIES

Power & Fuel

We have set up our own co-generation unit. Even for off-season period (when sugarcane crushing is not there) our Company is self-sufficient in generating the entire power for its need. For a very short period the company meets its power requirement by procuring electricity from the Hubli Electricity Supply Company Limited.

In addition to the said self-generated power and sanctioned power, the company has installed DG Sets as standby arrangement in all its manufacturing units, which is used in case of need / shortage or requirement of additional power. The DG Set gets its fuel requirement from the petrol pump owned by the Company.

Water

Owing to the nature of business of the Company, we need uninterrupted water supply, which is why the integrated facility is strategically located at a place where water is adequately available. The reservoir Dhupdal has been built on the confluence of the rivers Hiranyakeshi and Ghatprabha to facilitate irrigation for various industries. After having obtained the necessary approvals from the Irrigation Department of the Government of Karnataka, our Company has laid water lines for uninterrupted supply of water. Our Company has entered into an extension agreement dated September 21, 2022 with the Government of Karnataka for utilization of water from the Ghatprabha River for use of rift irrigation.

Steam

Steam is used for various processes in the production of sugar, manufacture of distillery products and power generation. We generate our entire steam requirement on a captive basis wherein we use the bagasse (generated during sugar

production) and coal (if required) for burning in the boilers installed thus generating steam.

Emission and Effluent Treatment Plant

Our Company has installed various effective treatment plants which broadly cover our segment wise operations with adequate capacities to treat the effluent generated from all units as per the consent granted by the Karnataka State Pollution Control Board (KSPCB). An effluent from the distillery, the spent wash, is mixed with press mud, which is discharged from sugar plant, and is used to make organic compost. Being involved in the business of Sugar and Distillery the company also produces liquid effluents. All liquid effluents are treated in sophisticated effluent treatment plants and the treated water is used for plantations within the plant premises. The ash produced as result of burning bagasse or coal is sold to brick and cement manufacturers.

OTHER RAW MATERIALS

Sulphate

Sulphate is essential for manufacture of sugar. It is the ingredient which is used for the crystallization of syrup obtained from clear juice. We source our requirement of Sulphate from various local vendors and also from vendors in Bangalore.

Lime

Milk of lime is added to the Juice Sulphater for cleaning process. Lime is obtained from local vendors in our vicinity and is sufficiently available as it is a common chemical substance.

Caustic Soda

Caustic Soda is used for cleaning the turbine blades which in turn are used in the power generation activity. Caustic Soda is available from various local vendors as it is a common chemical substance.

Packing Material

The company uses packing material for packing of Sugar and other distillery products. The company generally opens an open tender for procuring the various packing materials and orders are placed in bulk quantities.

QUALITY CONTROL & QUALITY ASSURANCE

We place strong emphasis on product and process quality, which we believe is the critical factor contributing to our success. Being in the business of sugar production, alcoholic spirits manufacture by distillation including ethanol, and generation of power; requires that we adhere and adopt stringent quality control measures. To assess and facilitate compliance with applicable requirements, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. We operate on dedicated Standard Procedures for all of our product segments, which is critical in quality control.

Following quality control measures are currently adopted by our Company in relation to our Sugar production, Distillery products and Co-generation unit:

Sugar Production

Our Company uses various methods to assess the quality of sugarcane being used for production of sugar along with the quality of bagasse and the sugarcane juice extracted from these sugarcanes. We also monitor the juice clarification process and thereafter syrup and massecuite quality is checked. We have a well equipped laboratory which enables our Company to ensure, monitor and check all the parameters in the various stages of sugar production. The produced sugar undergoes grading for determining the quality and price to be commanded.

Distillery products

The processes involved in the distillery unit use molasses, water and certain chemical processes. In order to obtain alcohol content above 99.60% and the water content only in traces, our Company adheres to strict quality measures for blending and for manufacture of Ethanol or Vinegar as required. Our Company has all the facilities to maintain the quality standards

and well equipped laboratory and manpower to check the same. The spirits manufactured are sent to our laboratory on sample basis for testing the alcoholic levels.

Co-generation Unit

Our Co-generation unit operates boilers at high pressure where the quality of the boiler feed is very stringent and has to be maintained strictly as per the norms of the boiler manufacturer. The water quality is constantly monitored in our in-house laboratory where all testing facilities are available for this purpose and is under constant monitoring.

HEALTH, SAFETY AND ENVIRONMENT

We are committed to protecting the health and safety of our employees and workers working in our factories. We have policies in place for health and safety for our workmen which have the following salient features:

- Compliance with relevant Safety and Statutory Regulations and Rules both in letter and in spirit
- Ensuring cleanliness of work place in compliance with the relevant regulations
- Providing work force with appropriate tools like helmets, gloves, aprons, face masks, etc.
- Knowledge / instructions on work procedures and safety precautions
- Conducting safety training on induction of new employees and workers as well as periodic refresher training
- Conducting classes on first aid training, fire-fighting, mock drills, safety audit, risk analysis studies, etc.
- Ongoing assessment on the status of safety, health and environment at the work place and take appropriate measures to improve the same
- Obligation and responsibility on every employee to perform the tasks ensuring complete safety.

Unit Monitoring

We have a state of the art control room set-up inside the manufacturing unit which monitors the entire process of sugar manufacturing and Co-generation unit in real time. It also maintains the various raw material inputs, heating temperatures, air pressure, electricity generation load, etc. from a single work station. The monitoring unit is built with various safety measures and redundancies to give prior alarms in case of any overload or mishap.

MARKETING, SALES AND DISTRIBUTION SETUP

Our Company undertakes marketing for all of its manufactured products, from Sugar to Compost. Our marketing set-up for each segment is explained below:

Sugar Production

Since the de-regularization of Sugar, our Company has developed a robust marketing and sales team which liaisons with various major brands. Also, after the de-regulation, the price has become highly dynamic and we need to price our products according to these market dynamics. For this, we constantly endeavour to acquire new clients and also retain the existing ones. We sell our manufactured sugar to various wholesalers, stockists and to several FMCG companies. Our Marketing team consists of well experienced and qualified people to maintain and increase relations with our customers.

Co-Generation

Electricity is a commodity which cannot be stored and has to be consumed the moment it is generated. Our co- generation unit has an installed capacity of 36.4 MW per annum. After our captive consumption requirement is met, wesell the surplus power generated to the grid under Open Access

Industrial Vinegar:

Our Company produces Vinegar which is non-potable and widely used for various industrial purposes or for further processing for domestic consumption. We mainly sell Vinegar to several companies in the food and beverage industry and in the agri-product processing industry. Our marketing team directly approaches various companies for sales pitch. Currently we have several agri-product companies as part of our client list who use our Vinegar as a preservative for raw vegetables and other agricultural products.

By-Products:

The crushing of sugarcane and subsequent production and manufacture of our products results in the production of various by-products such as Bagasse, Molasses, Carbon Di-Oxide, Boiler Ash and Compost. Bagasse and Molasses is majorly used for captive consumption in our co-generation unit and distillery unit respectively. However, on certain occasions,

surplus molasses is sold to other distillery units in the vicinity based on the demand. Our marketing team keeps good relations with various distillery units for ensuring the sale of surplus quantities. The liquefied CO2 is sold to various cold storage houses, medical equipment makers and other industrial users who are regularly contacted by ourmarketing team. Further, we have entered into an agreement with Excellences Carbonic Pvt. Ltd. for sale of crude Carbon Di-Oxide. Boiler Ash is sold to various local manufacturers of bricks and related products. With the growing infrastructure in Bellad-Bagewadi and other nearby areas, many brick manufacturers have a constant demand for BoilerAsh. Compost is largely sold on a highly subsidised rate to the farmers who grow sugarcane in the nearby villages. Thisensures that the farmers in turn sell the sugarcane produce to us on a priority.

MANPOWER

The production of sugar, manufacturing of distillery and ancillary products and the power generation process requires an appropriate mix of skilled, semi-skilled and un-skilled labour. Belgaum being a border city to both Karnataka, Maharashtra and Goa, labour – skilled, semi-skilled and unskilled – is easily available here. As on March 31, 2022, Our Company had 849 employees.

Besides the above, we also hire laborer from local and nearby areas at our factory premises on a daily wages basis as and when required. Our employees are not unionized into any laborer's or workers' union. We do not employ any Contract Labour in our factory and hence no compliance with The Contract Labour (Regulation & Abolition) Act, 1970or Rules thereunder is required. We have not experienced any major work stoppages due to labour disputes or cessationof work in the last five years. We believe that we share good and cordial relations with our employees.

The detailed break-up of our employees is as under:

Segment	Directors	KMP / Admin	Workers	Total
Office / General	10	13	276	289
Sugar Production		5	346	351
Co-Generation		0	85	85
Distillery Unit		1	90	91
Vinegar Unit		1	9	10
By-Products & Miscellaneous		1	22	23

The frequency distribution of the salary of the above employees for the month of March 31, 2022 is as given below:

Frequency (Monthly Salary Range)		No. of Employees
From	To	
1	10,000	69
10,001	20,000	713
20,001	30,000	38
30,001	40,000	18
40,001	50,000	0
60,001	70,000	4
80,001	90,000	5
1,90,001	2,00,000	4
2,20,001	2,30,000	1
2,90,001	3,00,000	1

EXPORTS AND EXPORT OBLIGATIONS

The total exports of the company for the last three fiscal years i.e., 2021-22, 2020-21 and 2019-2020 is Rs NIL each.

As per the Authorization Forwarding Letter issued by the Additional DGFT dated November 07, 2016, our Company had an export obligation of 6 times the value of duty saved; to be fulfilled within a period of 6 years (the duty saved being ₹ 48,33,203).

We have cleared our duty obligation made to DGFT by making the required payment vide Challan No.360 dated May 31, 2022.

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

COMPETITION

India is one of the largest sugar producer and consumer in the world. Our Company faces severe competition in the business of Sugar production from sugar mills operating not only in Karnataka and Maharashtra but throughout the country and also from international markets. Though our direct sugar competitors are the sugar mills operating out of North West Karnataka and South West Maharashtra, with the de-regulation of sugar prices, we now have to set sugar prices as per national competition. The competition faced by us is also in the form of sugarcane purchase from farmers from villages in our vicinity and also outside the area of our factory. Further, competition in the sugar industry arises from organized as well as from un-organized sector.

INTELLECTUAL PROPERTY

We have registered 2 trademarks and have applied for 1 patent, as explained below:

Sr. No.	Description		Class	Trademark No.	Status
Trademarks					
1.	VSL (Device)	VSL	33	2152827	Registered
2.	VSL (Device)	VSL	30	2152826	Registered
Patents					
1.	A System and a Process for Manufacturing Sugar	The system comprises of a receiving unit, a series of milling units, rotary screens, juice heater assemblies, liming and sulphation unit, clarification and settlement unit, evaporating units, and crystallization and centrifugation units. The system requires lesser man power, and is user friendly along with less consumption of steam and energy, thus being cost effective. The present disclosure also related to process for making sugar from sugarcane. The process reduces the loss of sugar, requires a comparatively lower amount of milk of lime and contains substantially lower amount of sulphur.	NA	Application Number - 202141033741	Applied For

PROPERTY

Freehold Property

The details of the Free Hold property are as under:

Sr. No.	Schedule of property and area	Purpose
1.	Land bearing Survey Nos. 136, 139, 140:1, 140:2, 140:3, 140:4, 141:1, 148:3, 149:1, 149:2, 149:3, 149:4, 150:1, 150:2A, 150:2B, 151:1, 151:2A, 151:2B, 151:2C and 152 situated at Bellad Bagewadi, Taluka Hukkeri, Bellad Bagewadi 591305, Karnataka, India Area – 132 Acres and 34 Gunthas.	Factories, Buildings, Godowns and Sheds

2.	Residential Apartment bearing No. M-104, First Floor of "M-Wing – Lynx" in "Brigade Gateway", situated in Industrial Suburb, Subramanyanagar, Municipal Ward No. 9, Rajinagar Extension (Malleswaram West), Bangalore – 560010 Area – 2300 square feet AND Vacant Land bearing Municipal Nos. 26 and 26/1, New No. 26/1, situated in Industrial Suburb, Subramanyanagar, Municipal Ward No. 9, Rajinagar Extension (Malleswaram West), Bangalore – 560010 Area – 404 square feet	Guest House
3.	Freehold Land situated at R. Sy. No. 204 / 2A, Navage Village, Uchagaon Revenue Circle, Belgaum Area – 20 Gunthas	Future Expansion purposes(1)
4.	Freehold Land situated at R. Sy. No. 206 / A, Navage Village, Uchagaon Revenue Circle, Belgaum Area – 3 Acres and 34 Gunthas(2)	Future Expansion purposes(1)
5.	Freehold Land situated at R. Sy. No. 206 / B, Navage Village, Uchagaon Revenue Circle, Belgaum Area – 3 Acres and 6 Gunthas(2)	Future Expansion purposes(1)
6.	Freehold Land situated at R. Sy. No. 207 / 1, Navage Village, Uchagaon Revenue Circle, Belgaum Area – 1 Acre and 32 Gunthas(2)	Future Expansion purposes(2)

(1) These properties have been acquired pursuant to registered POA and the final sale deeds for the same are under process. We confirm that none of the Sellers belongs to our Promoter, Promoter Group & Directors of our Company.

(2) Each R. Sy. No. has been acquired from multiple owners of small parcels of land. We confirm that none of the Sellers belongs to our Promoter, Promoter Group & Directors of our Company.

Lease Property

Sr. No.	Name of the Lessor	Premises Leased and area	Term of the Lease	Purpose
1.	Prakash Shrishailappa Katti	Survey No. 134/2, Off Ghartprabha – Chikodi Road, Hukkeri Taluka, DistrictBelgaum, 591 305 Area – 2 Acres	20 years from August 16, 206 to August 15, 2026.	Consumer Diesel Pump
2.	Prakash Shrishailappa Katti	Survey No. 134/2, Off Gokak Road, Hukkeri Taluka, District Belgaum, 591305 Area – 5 Acres	20 years from June 07, 2017 to June 06, 2037	Staff Quarters
3.	Nikhil Umesh Katti	4th Floor along with terrace, CTS No. 8692/A, Sector No. III, Shivbasv Nagar,Mal-Maruti Extension, Belgaum Area – 1543 Yards / 0.32 Acre	10 years from August 21, 2013 to August 20, 2023	Corporate House

4	Shri Shidalingayya Batayya Kadahatti, Shri Anandayya Balayya Kadahatti, & Shri, Santosh Shidalingayya Kadahatti,	R S No 148 A of Viilage Belrad Bagewadi,Hukkeri Taluka, District Belgaum, 591 305 Area 13 Acres and 28 gunthas	29 years from March 01, 2021 to February 28, 2050	Expansion plans for distillery, bagasse storage and allied activities

INSURANCES

The insurance policies covered by the company are:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (₹ lakhs)	Premium p.a. (₹ in lakhs)
1	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 1	680400112201 00000006	12,000.00	13.03
2	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 2	680400112201 00000007	12,000.00	13.03
3	New India Assurance Company Limited	Burglary Insurance	From January 23, 2023 to January 22, 2024	As per Note 3	680400462201 0000026	24,000.00	5.66
4	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 4	680400112201 00000012	2,725.00	4.65
5	New India Assurance Company Limited	Bharat Griha Raksha Policy	From January 23, 2023 to January 22, 2024	As per Note 5	680400112286 00000097	185.00	0.72
6	New India Assurance Company Limited	New India Bharat Laghu Udyam Suraksha Policy	From January 23, 2023 to January 22, 2024	As per Note 6	680400112243 00000019	750.00	0.61
7	New India Assurance Company Limited	New India Bharat Laghu Udyam Suraksha Policy	From January 23, 2023 to January 22, 2024	As per Note 7	680400112243 00000020	525.00	0.37
8	New India Assurance Company Limited	Machinery Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 8	680400442251 00000016	2500.00	7.38

9	New India Assurance Company Limited	Machinery Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 9	680400442251 00000017	3200.00	14.56
10	New India Assurance Company Limited	Machinery Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 10	680400442251 00000018	1017.00	6.00
11	New India Assurance Company Limited	Machinery Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 11	680400442251 00000019	1450.00	4.28
12	New India Assurance Company Limited	Electronic Equipment Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 12	680400442258 00000011	225.00	0.83
13	New India Assurance Company Limited	Boiler and Pressure Plant Policy	From January 23, 2023 to January 22, 2024	As per Note 13	680400442252 00000006	2,200.00	1.04
14	New India Assurance Company Limited	Boiler and Pressure Plant Policy	From January 23, 2023 to January 22, 2024	As per Note 14	680400442252 00000007	20,200.00	0.94
15	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 15	680400112201 00000008	22,500.00	2412953.00
16	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 16	680400112201 00000009	5,025.00	8.37
17	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 17	680400112201 00000010	9,000.00	15.72
18	New India Assurance Company Limited	Standard Fire & Special Perils Policy	From January 23, 2023 to January 22, 2024	As per Note 18	680400112201 00000011	600.00	0.77
19	New India Assurance Company Limited	Employees Personal Accident Insurance Policy	From January 23, 2023 to January 22, 2024	As per Note 19	680400422201 00000038	9,020.00	1.60
20	New India Assurance Company Limited	Employees — Hospitalization Insurance	From January 23, 2023 to January 22, 2024	As per Note 20	680400482268 00000079	2706.00	2.03

Notes:

1	On stock of sugar in PP gunny bags or gunny bags stored in sugar godown nos. 1 & 2 situated at VSIL.
2	On stock of sugar in PP gunny bags or gunny bags stored in sugar godown nos. 3 & 4 situated at VSIL.

3	On stock of sugar in PP gunny bags or gunny bags stored in sugar godown nos. 1, 2, 3 & 4 situated at VSIL.
4	On VSIL vinegar unit, building, plant & machinery, stock - raw material & finished product and stock in process of various grades and stored in various tanks.
5	On 112 No. of staff residential quarters / flats in six blocks, each flat and each flat F.F.F. & electrical installation.
6	On Administrative Office Building, F.F.F. Interior Decoration, Electrical Installation, Air Conditioner, Computers and accessories and Stationery etc.
7	Guest House building including F / F / F, interior decoration, electrical installation, air conditioner, kitchenware, utensils, fridge, ovens, crockery & glass ware and such others.
8	Description of machinery insured – a) Turbo Generator Shin Nippon Japan 22.4 MW 4922 RPM SL No. 21901. b) Turbo Generator Seisa Gear Box 1500 RPM Sl. No. 07KADA61. c) Turbo Generator Sl. No. 2K80862301
9	Various Electrical and Mechanical Equipment's & Transformers, Gear Boxes in various departments of VSIL
10	All electrical motors & sugar mill electrical VFD in various departments in sugar factory and co-generation unit.
11	Description of machinery insured – a) Turbo Generator Shin Nippon Japan 15 MW SL No. 21100. b) SEISA Gear Box 8000/1500 RPM NDM 6067 Sl. No. 6067. c) TDPS Turbine Generator Set 18750 KVA Sl. No. 2K3022401.
12	All types of electronic equipment in various departments of VSIL
13	Boiler – ISGECJHON THOMPSON Boiler with it accessories – 80 TPH KTK 3478 MICR 67 Kg/SQCM, 510 DEG.C
14	Boiler – ISGECJHON THOMPSON Boiler with it Accessories – 70 TPH KTK 2760 MICR. 67 Kg/SQCM, 485 DGC
15	Building including superstructure, plinth and foundation, plant, machinery & accessories, F.F.F. , Godown Nos 1,2,3 & 4 and compound wall for the Sugar & Co-gen Plant of VSIL
16	Various buildings including P & F etc., P & M & all its accessories, F/F/F including E/I, on stock of Ethanol, Rectified Spirit in tanks or in process and B Pallet
17	On Stock of B Heavy Molasses stored in various tanks and or in process at sugar factory and in distillery compound
18	Biomass Briquette shed manufacturing Unit Building Plant & Machinery and Stock
19	Accident Insurance for 902 employees of VSIL (all departments)
20	Raasta Aaptti Kavach policy for 902 employees of VSIL (all departments) with sum insured of ₹ 1,00,000 as compensation for Road Accident, ₹ 1,00,000 as hospitalization for Road Accident and ₹ 1,00,000 hospitalization expenses for employment extension; per employee
21	On stock of loose or press bales Bagasse in open in Bagasse yard situated at Factory

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Letter of Offer, our Board consist of 10 (ten) Directors, out of which 5 (five) are Executive Directors, 5 (five) are Non-Executive Independent Directors. Mr. Nikhil Umesh Katti is the Managing Director of our Company.

S. No.	Name	DIN	Designation
1.	Nikhil Umesh Katti	02505734	Managing Director
2.	Kush Ramesh Katti	02777189	Whole Time Director
3.	Mukesh Kumar	02827073	Whole Time Director
4.	Ramesh Vishwanath Katti	02669306	Additional Director
5.	Sneha Nithin Dev	09762514	Additional Director
6.	Vishnukumar Mahadev Kulkarni	01756948	Independent Director
7.	Surendra Shantaveer Khot	03504813	Independent Director
8.	Pramod Pratibha Munnolli	07852508	Independent Director
9.	Basavaraj Veerappa Hagaragi	07852512	Independent Director
10.	Shivanand Basavanneppa Tubachi	07852525	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Letter of Offer:

S. No.	Name, DIN, Date of Birth, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1.	**Vishnukumar Mahadev Kulkarni** Designation: Independent Director Address: Sr. No. 12/3B, Flat No. 1004, B-2, Siddharth Towers, G.A. Kulkarni, Behind City Pride Kothrud, Pune City, Ex. Serviceman Colony Pune, Maharashtra - 411038 Date of Birth: January 10, 1959 Occupation: Self Employed Nationality: Indian Term: 5 Years Date of Appointment as an Independent Director: July 17, 2020 DIN: 01756948	64	Jewel Profile Pvt Ltd
2.	**Nikhil Umesh Katti** Designation: Managing Director Address: 341 Bellad Bagewadi, Belgaum , Karnataka - 591305 Date of Birth: March 22, 1983 Occupation: Business Nationality: Indian Term: 3 years Date of Appointment as MD: February 15, 2011 DIN:02505734	39	Vishwaraj Infrastructure Private Limited U R Agrofresh Private Limited U R Sugar Industries Limited UK27 Hospitality Services (India) Limited
3.	**Ramesh Katti** Designation: Additional Director Address: House No. 341, Basav Circle, Bellad Bagewadi, Hukkeri (rural), Bellad Bagewadi, Belgaum, Karnataka - 591305 Date of Birth: October 21, 1964 Occupation: Business Nationality: Indian Term: Will be decided in upcoming AGM or EGM Date of Appointment as an Additional Director: October 15, 2022 DIN: 02669306	58	NA
4.	**Kush Ramesh Katti** Designation: Whole Time Director	36	Vishwaraj Encivil India Limited

	Address: Bellad Bagewadi, Hukkeri, Bellad Bagewadi, Belgaum, Karnataka - 591305 Date of Birth: November 14, 1986 Occupation: Business Nationality: Indian Term: 5 Years Date of Appointment as Whole Time Director: June 30, 2013 DIN: 02777189		U R Agrofresh Private Limited U R Sugar Industries Limited
5.	**Mukesh Kumar** Designation: Whole Time Director Address: F-201, Mantri Paradise Bannerghatta Road, Opposite Reliance Mart Arekere Gate, Bangalore South, Bilekahalli, Bangalore South, Bangalore, Karnataka - 560076 Date of Birth: September 28, 1963 Occupation: Business Executive Nationality: Indian Term: 3 Years Date of Appointment as Whole Time Director: March 01, 2019 DIN: 02827073	59	Fullon sugar private limited
6.	**Surendra Shantaveer Khot** Designation: Independent Director Address: Plot No. 116, Ramateerth Nagar, Belgaum, Karnataka - 590016 Date of Birth: May 29, 1945 Occupation: Professional Nationality: Indian Term: 5 years Date of Appointment as an Independent Director: March 20, 2011 DIN: 03504813	77	NA
7.	**Pramod Pratibha Munnolli** Designation: Independent Director Address: House No. 570/A, Basti Oni, Bellad Bagewadi, Hukkeri (rural), Bellad Bagewadi, Belgaum, Karnataka - 591305 Date of Birth: June 10, 1985 Occupation: Professional Nationality: Indian Term: 5 Years Date of Appointment as an Independent Director: September 30, 2017 DIN: 07852508	37	UR Sugar Industries Limited
8.	**Basavaraj Veerappa Hagaragi** Designation: Independent Director Address: House No. 1460/42, Pragati Housing Colony, Bellad Bagewadi, Hukkeri (rural), Bellad Bagewadi, Belgaum, Karnataka - 591305 Date of Birth: March 18, 1955 Occupation: Business Nationality: Indian Term: 5 Years Date of Appointment as an Independent Director: September 30, 2017 DIN: 07852512	67	UR Sugar Industries Limited
9.	**Shivanand Basavanneppa Tubachi** Designation: Independent Director Address: Plot No. 278, Anugraha Shivabasava Nagar, 2nd Sector, Belgaum, Nehru Nagar, Hukkeri, Belgaum, Karnataka - 590010 Date of Birth: May 30, 1950 Occupation: Business Nationality: Indian Term: 5 Years Date of Appointment as an Independent Director: September 30, 2017 DIN: 07852525	73	NA

10.	**Sneha Nithin Dev** Designation: Additional Director Address: M, 104 Briedge Gate Way 26/1 Dr. Rak Kumar Road, Malleshwaram, Bengaluru, Bangalore North, Karnataka - 560055 Date of Birth: December 02, 1985 Occupation: Business Nationality: Indian Term: Will be decided in upcoming AGM or EGM Date of Appointment as an Additional Director: October 15, 2022 DIN: 09762514	37	NA

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is/was a Director in any listed company during the last five years before the date of filing of this Draft Letter of offer, whose shares have been/were suspended from being traded on the any stock exchange.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the Board of Directors of a public listed company whose shares have been or were delisted from any stock exchange.

Our Key Managerial Personnel

In addition to our Managing Director and Whole-time Director, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Company Secretary and Compliance Officer

Priya Manoj Dedhia, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.
Address: 103, Kusum Nivas CHS Ltd, Namadev Path No.3, Kai DADA Utgikar Marg, Dombivali East, Thane -421201
Telephone: +91 9769306316
E-mail: cs@vsil.co.in

Chief Financial Officer
Sheshagiri Hanumantarao Kulkarni, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.
Address: Degulahalli Post: Devagaon Taluk: Bailhongal, Dist: Belagavi -591305
Telephone: +91 9686698938
E-mail: accounts@vsil.co.in

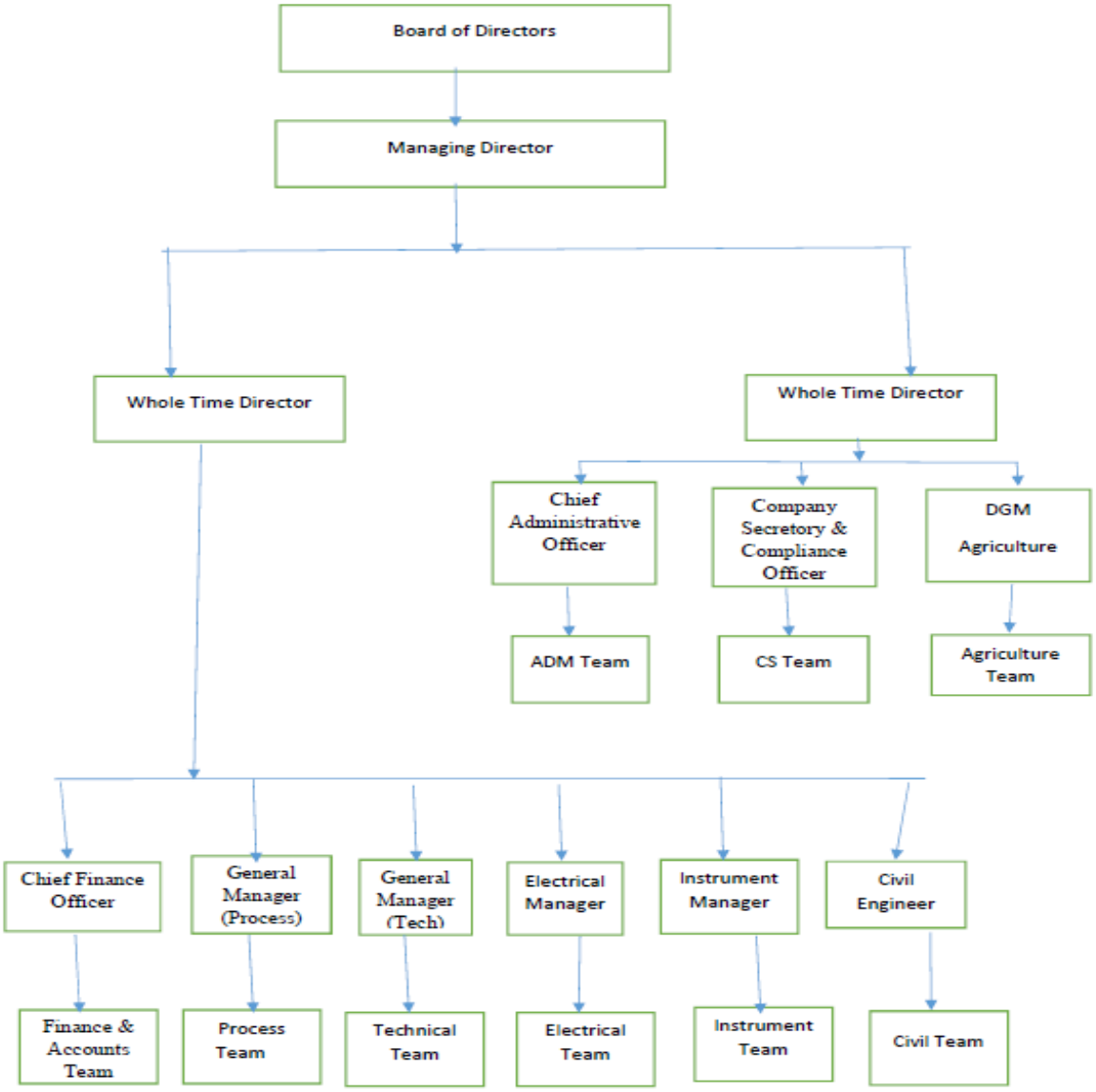
SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Name of the Director	Designation	Date of Appointment
Nikhil Umesh Katti*	Managing Director	January 16, 2009
Kush Ramesh Katti	Whole Time Director	June 30, 2021
Mukesh Kumar	Whole Time Director	September 24, 2019
Sheshagiri Hanumantarao Kulkarni	Chief Financial Officer	May 08, 2014
Priya Manoj Dedhia	Company Secretary and Compliance Officer	March 22, 2021

**Appointed as Manging Director w.e.f 15/02/2011*

MANAGEMENT ORGANISATION STRUCTURE

The management organisation structure of the Company is depicted from the following chart:


Board of Directors
Managing Director
Whole Time Director
Whole Time Director
Chief Administrative Officer
Company Secretory & Compliance Officer
DGM Agriculture
ADM Team
CS Team
Agriculture Team
Chief Finance Officer
General Manager (Process)
General Manager (Tech)
Electrical Manager
Instrument Manager
Civil Engineer
Finance & Accounts Team
Process Team
Technical Team
Electrical Team
Instrument Team
Civil Team

SECTION V - FINANCIAL INFORMATION

FINANCIAL INFORMATION

Sr. No.	Details	Page Number
1.	**Unaudited Limited Reviewed Financial Results for the nine months period ended December 31, 2022**	85 to 90
2.	**Audited Financial Statements as at and for the year ended 2021-22**	90 to 154

M/s. P. G. GHALI & CO.
Chartered Accountant
Flat No.1, DRK Empire, 3rd Floor, Above Reliance Trends, Khanapur Road,
Tilakwadi, BELGAUM - 590 006.
E mail : pgghalico@gmail.com, capraveenghali@gmail.com
☎ : Off : +91 831 4210470
+91 831 4230920
Web Site : www.pgghalico.co.in

Auditor's Report on Standalone Unaudited Quarterly and Year to date Financial Results of "VISHWARAJ SUGAR INDUSTRIES LIMITED" Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO
THE BOARD OF DIRECTORS OF
VISHWARAJ SUGAR INDUSTRIES LIMITED
BELLAD BAGEWADI
DIST: BELAGAVI

We have reviewed the accompanying statement of Standalone unaudited financial results of **VISHWARAJ SUGAR INDUSTRIES LIMITED** for the Quarter ended 31st December,2022 and for the period from 1st October, 2022 to 31st December, 2022. The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

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

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

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

For M/s. P.G Ghali & Co.,
Chartered Accountants
FRN.011092S
P.R.C.013376

P.G. GHALI & CO. CHARTERED ACCOUNTANTS

(CA. Praveen P. Ghali)
Partner
M. No. 215756
UDIN:23215756BGSBZI9163

Place: Belagavi
Date: 09-02-2023

****

Vishwaraj Sugar Industries Limited
Registered Office: Bellad Bagewadi, Taluk: Hukkeri District: Belagavi, Karnataka -591305
(CIN:L85110KA1995PLC017730)
Financial results for the quarter and Nine Months ended December 31,2022

(Rs. In Lakhs)

Sl.No.	Particulars	<- Quarter Ended ->			Nine Months Ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Un Audited
1	**Income**						
	a) Revenue from operations	10,160.80	9,915.48	13,328.11	41,742.88	33,786.35	46,875.10
	Total Revenue from operations	**10,160.80**	**9,915.48**	**13,328.11**	**41,742.88**	**33,786.35**	**46,875.10**
	b) Other Income	102.10	48.81	89.38	208.08	114.88	152.31
	Total Income	**10,262.89**	**9,964.29**	**13,417.49**	**41,950.96**	**33,901.23**	**47,027.41**
2	**Expenses**						
	a) Cost of materials consumed	25,531.46	(15.36)	21,388.49	25,620.20	21,488.02	39,153.56
	b) Changes in inventories	(22,783.76)	7,788.24	(14,378.86)	4,349.36	2,057.05	(7,931.42)
	c) Other Manufacturing expenses	1,411.24	1,354.83	1,167.08	3,625.60	2,216.66	3,563.11
	d) Employee benefits expense	608.95	431.50	504.92	1,454.85	1,334.26	1,834.86
	e) Finance costs	671.59	613.42	710.74	2,110.90	2,300.66	3,227.91
	f) Depreciation and amortization expense	380.99	385.92	365.77	1,189.27	1,150.12	1,551.25
	g) Other expenses	435.67	457.59	278.87	1,305.21	850.95	910.11
	Total Expenses (a to g)	**6,256.14**	**11,016.15**	**10,037.00**	**39,655.39**	**31,397.72**	**42,309.39**
3	**Profit before tax (1-2)**	**4,006.75**	**(1,051.85)**	**3,380.49**	**2,295.57**	**2,503.51**	**4,718.03**
4	**Tax expense**						
	Current tax	229.16	-	436.11	229.16	436.11	347.44
	Excess Tax Provision Reversed FY 2020-21	-	-	-	-		(211.37)
	Excess Tax Provision Reversed FY 2021-22	-	(347.44)	-	(347.44)		-
	Deferred tax	-	-	-	-		(1,434.08)
5	**Net Profit for the period**	**3,777.59**	**(704.42)**	**2,944.38**	**2,413.85**	**2,067.40**	**6,016.04**
6	**Other comprehensive income (OCI)**						
	a) (i) Items that will not be reclassified to profit or loss	-	-	-	-		17.84
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-		-
	b) (i) Items that will be reclassified to profit or loss	-	-	-	-		-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-		-
	Total other comprehensive income	-	-	-	-		17.84
7	**Total comprehensive income (5+6)**	**3,777.59**	**(704.42)**	**2,944.38**	**2,413.85**	**2,067.40**	**6,033.88**
8	**Paid-up Equity Share Capital**	**3,755.60**	**3,755.60**	**3,755.60**	**3,755.60**	**3,755.60**	**3,755.60**
	(Rs.2/- per Equity Share)						
9	**Other Equity**				-		**24,503.25**
10	**Earnings per share**						
	(Face Value of Rs.2/- each) (not annualised):						
	(a) Basic	**2.01**	**(0.38)**	**1.57**	**1.29**	**1.10**	**3.21**
	(b) Diluted	**2.01**	**(0.38)**	**1.57**	**1.29**	**1.10**	**3.21**

VISHWARAJ SUGAR INDUSTRIES LTD. Bellad Bagewadi

For Vishwaraj Sugar Industries Limited

Mukesh Kumar
Executive Director

Vishwaraj Sugar Industries Limited

Registered Office: Bellad Bagewadi, Taluk: Hukkeri District: Belagavi, Karnataka - (CIN:L85110KA1995PLC017730)

Statement of Assets and Liabilities As at 31.12.2022 (Unaudited)

(Rs. In Lakhs)

Sl.No.	Particulars	As at December 31,2022	As at March 31,2022
		Un Audited	Audited
I	**Assets**		
	Non-current assets		
(a)	Property plant and Equipment	29,946.68	29,961.33
(b)	Right of use Assets	-	-
(c)	Capital Work Inprogress	-	-
(d)	Intangible assets	-	-
(e)	Financial assets		
	(i) Investments	130.77	130.74
	(ii) Other financial assets	499.12	509.57
(f)	Deferred tax Assets (net)	1,352.68	1,352.68
	Total non current assets	**31,929.25**	**31,954.32**
	Current Assets		
(a)	Inventories	32,455.67	36,679.82
(b)	Financial assets		
	(i) Trade receivables	3,968.90	3,224.51
	(ii) Cash and cash equivalent	1,235.74	1,226.70
	(iii) Bank Balances other than (ii) above	89.35	89.35
	(iv) Other financial assets	5.86	5.92
(c)	Other current assets	7,524.98	3,774.97
	Total current assets	**45,280.50**	**45,001.25**
	TOTAL ASSETS	**77,209.75**	**76,955.57**
II	**EQUITY AND LIABILITIES**		
	Equity		
(a)	Equity Share Capital	3,755.60	3,755.60
(b)	Other Equity	26,917.10	24,503.25
	Total Equity	**30,672.70**	**28,258.85**
	Liabilities		
	Non-current liabilities		
(a)	Financial Liabilities		
	i) Borrowings	10,583.80	8,969.30
	ii) Lease Liabilities		-
(b)	Long Term Provisions	289.20	289.20
(c)	Deferred tax liabilities (net)	-	-
	Total non-current liabilities	**10,873.00**	**9,258.50**
	Current liabilities		
(a)	Financial Liabilities		
	(a) Borrowings	17,877.47	28,074.25
	(b) Lease Liabilities		
	(c)Trade payables		
	(i) Total o/s dues of the MSME		
	(ii) Trade Payables other than (i) above	16,538.48	9,375.68
	(d)Other financial liabilities	586.34	640.10
(b)	Provisions	246.21	740.05
(c)	Other current liabilities	415.55	608.14
(d)	Current Tax Liabilities (Net)	-	-
	Total current liabilities	**35,664.05**	**39,438.22**
	TOTAL EQUITY AND LIABILITIES	**77,209.75**	**76,955.57**

For Vishwaraj Sugar Industries Limited

VISHWARAJ SUGAR INDUSTRIES LTD. Bellad Bagewadi

Mukesh Kumar
Executive Director

Vishwaraj Sugar Industries Limited
Registered Office: Bellad Bagewadi, Taluk: Hukkeri District: Belagavi, Karnataka -
(CIN:L85110KA1995PLC017730)

Cash Flow Satement for the Nine Months ended December 31, 2022 (Un audited)

(Rs. In Lakhs)

Sl.No	Particulars	Nine Months ended	Year ended
		31.12.2022	31.03.2022
I	**Cash Flows from Operating Activities**		
	Net profit before tax	2,295.57	4,718.03
	Adjustments for :		
	Depreciation and amortization expense	1,189.27	1,551.25
	Finance Cost	2,110.90	3,227.91
	Dividend Income	(7.87)	(13.71)
	Operating profit before working capital changes	**5,587.87**	**9,483.48**
	Movements in Working Capital		
	(Increase)/Decrease in Trade Receivables	(744.40)	(227.51)
	(Increase)/Decrease in Other financial assets	10.51	(127.74)
	(Increase)/Decrease in Inventories	4,224.15	(8,108.09)
	(Increase)/Decrease in Other Current Assets	(3,750.02)	2,236.35
	(Increase)/Decrease in Other Non Current Assets	(0.03)	-
	Increase/(Decrease) in Trade Payables	7,162.80	2,701.20
	Increase/(Decrease) in Other financial liabilities	(53.76)	317.97
	Increase/(Decrease) in Other Current liabilities	(192.59)	(2,414.88)
	Increase/(Decrease) in Long Term Provisions	-	15.69
	Increase/(Decrease) in Short Term Provisions	(493.84)	(219.35)
	Changes in Working Capital	**6,162.82**	**(5,826.37)**
	Cash generated from operations	**11,750.68**	**3,657.11**
	Interest received on Deposits	118.28	(136.06)
	Direct Taxes Paid		
	Net Cash from operating activities (A)	**11,868.96**	**3,521.04**
II	**Cash flows from Investing Activities**		
	Dividends Received	7.87	13.71
	Purchase of Fixed Assets (Including CWIP)	(1,174.62)	(3,323.46)
	Sale of Fixed Assets		29.03
	Purchase/Sale of Investment		-
	Net Cash used in Investing Activities	**(1,166.75)**	**(3,280.72)**
III	**Cash flows from/(used in) Financing Activities**		
	Proceeds from Long term borrowings	(2,211.52)	(1,273.63)
	Repayment/(Proceeds) of/from Short-term borrowings	(6,370.76)	691.45
	Interest paid	(2,110.90)	(3,227.91)
	Share Capital	-	-
	Share Premium	-	-
	Net Cash used in Financing Activities	**(10,693.18)**	**(3,810.10)**
IV	**Net Increase/(Decrease) in cash and cash equivalents**	**9.04**	**(3,569.77)**
	Cash and Cash equivalents at the beginning of the year	1,316.05	4,885.82
	Cash and Cash equivalents at the ending of the year	**1,325.08**	**1,316.05**

For Vishwaraj Sugar Industries Limited

VISHWARAJ SUGAR INDUSTRIES LTD. Bellad Bagewadi

Mukesh Kumar
Executive Director

Vishwaraj Sugar Industries Limited
Registered Office: Bellad Bagewadi, Taluk: Hukkeri District: Belagavi, Karnataka -591305
(CIN:L85110KA1995PLC017730)

SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2022

(Rs. In Lakhs)

Particulars	Quarter ended			Nine Months Ended		Year ended
	31.12.2022 (Unaudited)	30.09.2022 (Unaudited)	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
1. Segment revenue						
--Income from Operations						
(a) Sugar	4,942.61	4,387.96	8,847.70	24,522.60	21,003.36	27,289.04
(b) Co-generation	880.51	-	823.56	2,386.83	979.21	2,480.75
(c) Distillery	3,972.97	5,176.87	3,304.69	13,811.56	10,449.39	15,042.56
(d) IML	-	-	-	-	-	-
(e) Vinegar Unit	358.57	349.74	350.22	994.22	1,344.01	1,929.48
--Other operating income						
(a) Others	6.14	0.92	1.94	27.68	10.38	133.27
(b) Unallocable revenue	-	-		-		-
Total						
Less: Inter segment revenue						
Income from operations (net)	**10,160.80**	**9,915.48**	**13,328.11**	**41,742.88**	**33,786.35**	**46,875.10**
	-	-	-	-		-
2. Segment Results						
(a) Sugar	(5,963.14)	(973.53)	(4,625.33)	(7,080.51)	(5,784.21)	(11,964.33)
(b) Co-generation	1,827.82	(338.21)	1,365.58	987.95	692.58	2,480.42
(c) Distillery	8,535.36	820.06	7,135.03	10,039.91	9,122.44	15,876.00
(d) IML	37.25	29.92	15.75	65.97	21.57	45.39
(e) Vinegar Unit	362.23	117.26	220.41	665.29	893.79	1,418.66
Less: Unallocable (expenditure)/revenue:						
Total						
(a) Finance Costs	671.59	613.42	710.74	2,110.90	2,300.66	3,227.91
(b) Other expendituure (net of other income)	121.18	93.94	20.19	272.14	142.00	(89.81)
Profit before tax	**4,006.75**	**(1,051.85)**	**3,380.49**	**2,295.57**	**2,503.51**	**4,718.03**
3. Segment Assets						
(a) Sugar	44,900.83	29,837.28	25,034.82	44,900.83	25,034.82	43,026.05
(b) Co-generation	7,761.59	6,357.20	6,307.86	7,761.59	6,307.86	8,896.12
(c) Distillery	4,041.02	4,077.32	3,732.08	4,041.02	3,732.08	3,998.29
(d) IML	380.84	368.43	337.80	380.84	337.80	337.02
(e) Vinegar Unit	2,463.46	2,303.61	2,143.31	2,463.46	2,143.31	2,580.20
(f) Un-allocable	17,662.01	10,652.41	33,432.77	17,662.01	33,432.77	18,117.89
Total assets	**77,209.75**	**53,596.24**	**70,988.65**	**77,209.75**	**70,988.65**	**76,955.58**
4. Segment liabilities						
(a) Sugar	39,615.23	20,010.57	37,917.06	39,615.23	37,917.06	42,070.93
(b) Co-generation	-	-	1,900.00	-	1,900.00	1,625.00
(c) Distillery	-	-	2,137.50	-	2,137.50	2,025.00
(d) IML	-	-	-	-	-	-
(e) Vinegar Unit	-	-	-	-	-	-
(f) Un-allocable	37,594.52	33,585.67	29,034.09	37,594.52	29,034.09	31,234.65
Total liabilities	**77,209.75**	**53,596.24**	**70,988.65**	**77,209.75**	**70,988.65**	**76,955.58**

VISHWARAJ SUGAR INDUSTRIES LTD. Bellad Bagewadi

For Vishwaraj Sugar Industries Limited

Mukesh Kumar
Executive Director

Vishwaraj Sugar Industries Limited

Notes:

1. The Financial Results of the company have been prepared pursuant to Regulation 33 and being published pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2. The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules as amended from time to time.

3. The Financial results recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 09th February, 2023.

4. The Financial results have been reviewed by the Statutory Auditors of the Company as per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended).

5. For the quarter ending 31st December,2022 the provision has been made for Current tax liability as per income tax act,1961 and after considering the carry forward of loss as per Income tax computation.

6. Sugar being a seasonal industry, the performance of the quarter may not be representative of the annual performance of the Company.

7. Previous year/Period figures have been regrouped and recast, wherever necessary, in line with the current period presentation.

8. The results for the Quarter ending 31st December,2022 are also available on the portal of BSE Ltd., National Stock Exchange of India Ltd., and on the Company's website.

For and on behalf of the Board

VISHWARAJ SUGAR INDUSTRIES LTD. Bellad Bagewadi

Place: Belagavi
Date:09-02-2023

Mukesh Kumar
Executive Director

Auditor's Report

FOR THE YEAR 2021-22

OF

VISHWARAJ SUGAR INDUSTRIES LIMITED

BELLAD BAGEWADI, Tal: HUKKERI,
Dist: BELAGAVI.
KARNATAKA– 591 305

Auditor's:

M/S. GOJANUR & CO.,

Chartered Accountants

2nd Parallel Road ,
Durgigudi , Shivamogga - 577 201
Ph No. 08182 - 223 443
Mob No. +91-94481-37195
e-mail: gojanur.cs@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
VISHWARAJ SUGAR INDUSTRIES LIMITED,

Report on the Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of **VISHWARAJ SUGAR INDUSTRIES LIMITED ("the Company")**which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Actread with the Companies (Indian Accounting Standards) Rules,205, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the loss andtotal comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Allowance for Credit Losses:** The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic	Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the

	conditions. The Company considered current and anticipated future economic conditions relating to industries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.	(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.
2	**Properties are being held by way of General Power of Attorney:** Properties are being held by way of General Power of Attorney in the name of Shri.MallikarjunKadayyaPujar, Director of the Company held on behalf of the Company.	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company. However Some of the Properties are being held by way of General Power of Attorney in the name of Shri.MallikarjunKadayyaPujar, Ex-Director & Presently CAO of the Company held on behalf of the Company. The details are furnished in the Point.1 in the Annexure-A to the Auditors Report. The title of the such Properties shall be converted in the name of the company by Executing sale deed.
3	**Recovery of Advances:**The Company has given advances to various parties including Directors in normal course of its operations in compliance with Companies Act,2013 & Rules there under.	The Company has granted advances to farmer members in its normal course of business during the year which includes the parties covered in the register maintained under section 189 of the Companies Act, 2013 and complied the provisions of rules thereunder. However some of advances which are outstanding since long time shall be recovered along with interest.
4	**Obtaining an insurance in the manner prescribed under Payment of Gratuity Act, 1972** :The company has not invested the Gratuity provision made in any manner prescribed under Payment of Gratuity Act, 1972.	As per Sec.4A of Payment of Gratuity Act, 1972 every employer, other than an employer or an establishment belonging to, or under the control of, the Central Government or a State Government, shall, subject to the provisions of sub-section (2), obtain an insurance in the manner prescribed, for his liability for payment towards the gratuity under this Act, from the Life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956 (31 of 1956) or any other prescribed insurer.

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Emphasis of Matter

As more fully described in Note.49 to the standalone financial statements. The scope, duration or outcome of these matters are uncertain. Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Actread with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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i. The company has disclosed the impact of pending litigations on its financial position in its Notes forming part of Ind AS financial statements Refer "notes-49".

ii. The Company did not have any long term contracts including Derivative contracts for which there were any material foreseeable losses;

iii. There are no any instances during the audit period wherein the amount is required to be transferred to the 'Investor Education and Protection Fund' by the Company.

iv. i. In our opinion and to the best of our information and according to the explanations given to us, no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

ii. In our opinion and to the best of our information and according to the explanations given to us no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

iii. Based on audit procedure which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause(i) and (ii) contain any material mis-statement.

i) The company has proposed dividend of Rs.0.20 (10% of Face value) per equity share of the face value of Rs.02 each for the financial year 2021-22 and nothing is contravening the sec.123 of the companies act,2013.

2. As required by Companies (Auditor's Report) order, 2020, issued by Central Government in terms of Section 143 (11) of the companies Act 2013,we give in the "**Annexure A**" statement on matters specified in paragraph (3) and (4) of said order

"As per our report of even date"
For, M/s Gojanur& Co.,
Chartered Accountants
FRN: 000941S
P.R.C.No.011335

GOJANUR & CO. Chartered Accountants M.No. 020227 FRN No. 000941S SHIVAMOGGA

(CA. G. M. ChannappaSetty)
Proprietor
M. No: 020227
UDIN: 22020227AKYWOO7555

Date: 09th, May 2022
Place: Shivamogga

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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 section 143(3) of the act we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

   g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.

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

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ANNEXURE-A TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31st MARCH, 2022.

1. **In respect of the Company's fixed Assets:**

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to information and explanation given to us the fixed assets have been physically verified by the Management during the year in a phased programme which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) The company has not revalued its property, plant and equipment or intangible assets during the year.

(d) To the best of our knowledge, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 and rules made thereunder.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company and are deposited with Bank of India, State Bank of India, and BDCC Bank.

Some of the Properties are being held by way of General Power of Attorney in the name of Shri.Mallikarjun Kadayya Pujar, the Ex- Director and present CAO of the Company held on behalf of the Company. The details are furnished below: (refer note:52)

Sl No.	Survey No.	Name of the owner/s	Area		Date of GPA	Document No.	Amount Paid (Rs. in Lakhs)
			Acres	Guntas			
1	204/2A	Shri Jotiba Bharmanna More	0	20	30.12.2016	508/2016-17	3.00
2	206/A	1.Shri Narayan Balkrishna Sutar	0	33	30.12.2016	509/2016-17	5.00
		2.Shri Chudappa Balkrishna Sutar					
3	206/B	1.Smt.Savitri W/O Yallappa Pawashe	2	20	14.03.2017	620/2016-17	6.00
		2.Smt.Janabai W/O Dhankalu Gurav					
		3.Shri Yallappa S/O Dhakalu Gurav					

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4	207/1	1.Smt. Renuka W/O Late Tippanna Talwar	0	36	28.12.2018	667/2018-19	8.10
		2. Shri. Nagaraj S/O. Tippanna Talwar					
5	206/1	Shri. Rajaram Balappa Chigare	0	33	28.12.2018	670/2018-19	7.43
6	207/1	Shri. Monappa Ganesh Talwar	0	36	28.12.2018	664/2018-19	8.10
7	207/1	1.Smt. Anandi W/O. Late Dudappa Talwar	0	36	28.12.2018	665/2018-19	8.10
		2. Shri. Pundalik S/O. Dudappa Talwar Talwar					
		3.Smt. Mayuri W/O. Pundalik Talwar					
		4.Shri. Bharat S/O. Dudappa Talwar					
8	206/A	1.Shri Shanlkar Arjun Gurav	0	30	28.12.2018	655/2018-2019	6.75
		2.Shri Bharma Arjun Gurav					
		3.Devappa Arjun Gurav					
9	206/A	Shri. Devappa Kumanna Gurav	0	12	28.12.2018	657/2018-19	2.70
10	207/1	1. Smt. Laxmi W/O. Late Yavagappa Talwar	0	36	28.12.2018	663/2018-19	8.10
		2. Shri. Pandurang S/O. Yavagappa Talwar					
		3. Smt. Droupada W/O. Pandurang Talwar					
		4. Shri. Balu S/O. Yavagappa Talwar					
11	206/A	Shri. Maruti Yallappa Humbarwadi	0	33	28.12.2018	671/2018-19	7.43
12	206/A	Shri. Raghunath Krishna Hurakadli	0	13	28.12.2018	661/2018-19	2.93
13	206/A	1.Shri. Jayram Kallappa Patil	1	5	28.12.2018	659/2018-19	10.13
		2.Smt. Madhu Jayram Patil					

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		3.Smt. Sushma Madhu Patil					
		4. Shri. Pundalik Jayram Patil					
14	206/B	Smt. Yeshodha Parashuram Gawade	0	26	28.12.2018	656/2018-19	5.85
15	206/A	Shri. Ravalu Shankar Motankar	0	13	28.12.2018	672/2018-19	2.93
16	206/A	Shri. Narayan Krishna Yallurkar	1	0	28.12.2018	660/2018-19	9.00
17	207/1	Shri. Babu Basawant Talwar	0	36	28.12.2018	662/2018-19	8.10
18	206/A	Shri. Babu Somanna Motankar	1	0	28.12.2018	668/2018-19	9.00
19	206/A	Shri.Rajaram Vasu Golyalkar	1	10	09/07/2021	00152/21-22	3.75
20	206/A	Shri. Mallppa Vasu Golyalkar	2	25	09/07/2021	00153/21-22	7.50
21	206/A	Shri.Govind Vasu Golyalkar	1	10	09/07/2021	00154/21-22	3.75
22	206/A	Shri. Nago Somanna Motankar	1	10	09/07/2021	0155/21-22	3.75
23	206/A	Shri.Rama Yallappa Gavali	1	10	09/07/2021	0156/21-22	3.75
24	206/A	Shri.Gangaram Tanji Gavali	2	20	09/07/2021	0157/21-22	7.50
25	206/A	Shri. Jayram Kumanna Gurav	2	0	09/07/2021	0158/21-22	6.00
26	206/A	Shri.Marutirao @Maruti Somanna @Somanath Motankar	1	10	09/07/2021	0160/21-22	3.75
27	206/A	1.Smt. Anandabai W/O. Late Narayan Sutar	1	11	09/07/2021	00161/21-22	3.83
		2. Shri. Pandu S/O Narayan Sutar					
		3. Smt. Pooja W/O Pandu Sutar					

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		4. Shri Vishwanath S/O. Narayan Sutar					
		5. Smt. Laxmi W/O. Vishwanath Sutar					
		6. Smt. Vaishali W/O Suresh Kammar					
28	206/A	1.Shri.Gangaram S/O. Late Kallappa Patil	0	25	12/07/2021	00171/21-22	1.50
		2. Smt. Renuka W/O. Gangaram Patil					
29	206/A	Shri. Yallappa Nagappa Gurav	0	27	12/07/2021	00172/21-22	2.03
30	206/A	1.Shri.Parashram Gavadu Patil	0	20	12/07/2021	00173/21-22	1.50
		2. Smt. Malu W/O. Parashuram Patil					
		3. Smt. Deepa W/O. Dinesh Bilagoji					
31	206/A	Shri. Dashrath Yallappa Chigare	0	23	12/07/2021	00174/21-22	1.73
32	206/A	Shri. Khirappa Devappa Sutar	0	35	12/07/2021	00176/21-22	2.63
33	206/A	Smt.Laxmi W/O.Vasant Sutar	0	34	12/07/2021	00177/21-22	2.55
		Shri. Devendra S/O.Late Vasant Sutar					
		Smt. Rekha W/O. Devendra Sutar					
34	206/A	Shri.Madhu @ Madhukar Dattu Sutar	0	32	12/07/2021	00178/21-22	2.40
35	206/A	Shri.Ramchandra Devappa Sutar	0	32	12/07/2021	00180/21-22	2.40
36	206/A	1.Shri.Jayaram S/O.Late Kallappa Patil	0	24	12/07/2021	00181/21-22	1.80
		2.Shri Baban S/O Jayaram Patil					
		3. Rekha W/O. Baban Patil					
37	206/A	1. Smt. Parvati W/O Babu Sutar	0	25	12/07/2021	00182/21-22	1.88
		2. Smt. Punam W/O					

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		Parasuram Sutar					
		3. Shri. Parthamesh S/O Parasuram Sutar					
38	206/A	Shri.Basavanni Irappa Chigare	2	20	24/09/2021	00417/21-22	10.25
39	204*/1	Shri.Prabhakar Arjun Jadav	2	20	27/10/2021	00475/21-22	10.55
		Shri. Balakrishna Arjun Jadhav					
40	206/A	1.Shri. Kallappa Shivappa Patil	3	30	30/11/2021	00527/21-22	11.65
		2. Yallappa S/O Gavadu Patil					
41	206/A	Shri. Somanath Shivaji Sutar	2	24	30/11/2021	00528/21-22	10.25
42	206/A	1. Shri Ravalu Shankar Motankar	0	27	14/02/2022	00767/21-22	2.03
		2. Smt.Deepa W/O Ravalu Motankar					
		3.Mr. Rutik D/O Ravalu Montankar					
		4. Master Sandesh S/O Ravalu Montankar					
43	207/7	Shri. Yallappa Nagappa Gurav	0	20	15/02/2022	00771/21-22	1.50
44	206/A	Shri. Gavadu Kallappa Patil	0	30	18/02/2022	00785/21-22	1.95
45	206/A	Shri Maruti Somanna Yallurkar	0	25	25/02/2022	00811/21-22	6.06
46	204*/1	1.Smt. Shobha Dashrut Biraje	1	13	25/02/2022	00812/21-22	12.56
		2. Shri Prabhakar Dasharat Biraje					
47	206*/A	1.Shri. Mallavva W/O Dhakalu Hurakadli	0	25	28/02/2022	00817/21-22	6.07
		2. Shri Monappa S/O Dhakalu Hurakadli					
		3. Shri Laxman S/O Dhakalu Hurakadli					
		4.Shri. Ramappa S/O Shakalu Hurakadli					

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48	206/A	Shri.Mallappa @ Yallappa Somanna Yallurkar	0	26	16.03.2022	00886/21-22	6.06

(a) According to the information and explanation given to us the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

(b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) Company is maintaining proper records of inventory and there is no material discrepancies noticed on physical verification.

(d) The Company has been sanctioned working capital limits in excess of Rs. 5 crores by banks during the year. The quarterly returns or statements filed by the company with banks are in agreement with the books of account of the Company.

2. The Company has not made investment, or security or granted any loans to companies, firms, Limited Liability Partnerships or other parties except for the corporate guarantee towards the Harvesting and Transportation Loan sanctioned to Sugarcane Harvesting & Transportation contractors from banks to the extent of Rs.80 Crores who are in agreement with the company for Harvesting & Transportation contract which is done in the normal course of business.

3. The Company has not granted any advances during the year to parties covered in the register maintained under section 189 of the Companies Act, 2013 except following which are in compliance with the said section.

(Rs. in Lakhs)

PURCHASE ADVANCE	2021-22	2020-21
Nikhil U Katti	40.78	40.78
Lava R Katti	52.47	52.47
Kush R Katti	57.24	57.24

4. In our opinion and according to the information and explanations given to us, the company has not granted any loans and not made any investments, security & guarantees covered under section 185 and I86 of the Companies Act, 2013.

5. In our opinion and according to the information and explanation given to us, the company has not accepted Deposits from public 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 Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

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6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that Prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the same. And the same have been audited by independent cost auditor.

7. **(a)** According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, the following amounts payable in respect of statutory dues were in arrears due to disputes as at 31-03-2022 for a period of more than six months from the date they became payable:

Sl.No	Particulars	Amount (in lakhs)
1	Central Excise, Belgaum Show Cause Notice	87.85
2	Central Excise, Bangalore (Appeals)	974.43
3	High Court, Karnataka, Appeal for Sugar Cess	252.80

8. According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961.

9. In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues toany financial institutions.

10. a) The Company has not defaulted in repayment of loans or borrowings or in interest to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

c) In our opinion, the term loans were applied for the purpose for which the loans were obtained.

d) In our opinion, funds raised on short term basis have not been utilised for long term purposes.

e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

GOJANUR & CO., M.No. 020227 FRN No. 000341S SHIVAMOGGA Chartered Accountants

11. Based upon the audit procedures performed and the information and explanations given by the management, opinion, the no money is raised by way of initial pubic offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those were raised. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

12. Based upon the audit procedures performed and the information and explanations given by the management, we report that :
    a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

    b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

    c) No whistle-blower complaints had been received by the Company during the year.

13. In our opinion, the Company is not a Nidhi Company as defined in section 406 of the Companies Act, 2013. Therefore, the provisions of clause 71(a),(b) & (c) of the Order are not applicable to the Company.

14. According to information and explanations given to us and on the basis of our examination of the books of account, records, and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Companies Act. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in the financial statements. *(refer note.32 to the Financial Statements)*

15. The the Company has an internal audit system commensurate with the size and nature of its business and the reports of the Internal Auditors for the period under audit were considered by us.

16. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

17. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

    (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

    (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

    (d) The Group does not have not more than one CIC as part of the Group.

GOJANUR & CO., M.No: 020227 FRN No. 0009415 SHIVAMOGGA Chartered Accountants

18. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.

19. There has been no resignation of the statutory auditors during the year. The previous year auditor has continued as the statutory auditor for the current year.

20. On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date

21. The Company is not liable to Corporate Social Responsibility expenditure as per company's act,2013 during the reporting period.

22. The company is not required to prepare Consolidated financial statement and hence this clause is not applicable.

"As per our report of even date"
For, M/s Gojanur& Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335

GOJANUR & CO. M.No. 020227 FRN.No. 000941S SHIVAMOGGA Chartered Accountants

(CA. G. M. ChannappaSetty)
Proprietor
M. No: 020227
UDIN: 22020227AKYWOO7555

Date: 09th, May 2022
Place: Shivamogga

****

ANNEXURE(B)
TO THE AUDITOR'S REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31st MARCH, 2022.

REPORT ON INTERNAL FINANACIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF COMPANIES ACT, 2013.

We have audited the internal financial controls over financial reporting of **"VISHWARAJ SUGAR INDUSTRIES LIMITED"** as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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.

GOJANUR & CO., M.No. 020227 FRN. No. 0009415 SHIVAMOGGA Chartered Accountants

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

Meaning of Internal Financial Controls over Financial Reporting:

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For, M/s Gojanur& Co.,
Chartered Accountants
FRN: 000941S
P.R.C.No.011335

GOJANUR & CO. Chartered Accountants M.No. 020227 FRN No. 000941S SHIVAMOGGA

Date: 09th, May 2022
Place: Shivamogga

(CA. G. M. ChannappaSetty)
Proprietor
M. No: 020227
UDIN: 22020227AKYWOO7555

****

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305

(CIN: L85110KA1995PLC017730)

AUDITED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2022

(Rs.in Lakhs)

PARTICULARS	Note No.	2022	2021
Income			
Revenue from operations	19	46875.10	42646.38
Other income	20	152.31	61.41
Total Revenue		**47027.41**	**42707.79**
Expenses			
Cost of materials consumed	21	39153.56	31119.71
Changes in inventories	22	(7931.42)	545.60
Other Manufacturing expenses	23	3563.11	1968.77
Excise and Service Tax	-	0.00	0.00
Employee benefits expense	24	1834.86	1384.09
Finance costs	25	3227.91	3565.72
Depreciation and amortization expense	2	1551.25	1474.74
Other expenses	26	910.11	1426.21
Total Expenses		**42309.38**	**41484.84**
Profit before tax		**4718.03**	**1222.95**
Tax expense			
(1) Current tax		347.44	211.37
(2) Excess tax Provision reversed FY 2020-21		(211.37)	0.00
(3) Deferred tax		(1,434.08)	182.28
Profit for the year		**6016.04**	**829.29**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		17.84	-35.79
Tax on items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss		0.00	0.00
Items that may be reclassified subsequently to profit or loss		0.00	0.00
Total other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		**6033.88**	**793.50**
Earnings per share:			
Basic earnings per share of 2/-each		3.21	0.42
Diluted earnings per share of 2/- each		3.21	0.42

The accompanying Significant accouting policies and notes form an integral part of the financial statements.

"As per our report of even date"

For M/s. GOJANUR & CO.
Chartered Accountants
FRN.000941S
P.R.C.No.011335

GOJANUR & CO. M.No. 020227 FRN No. 000941S SHIVAMOGGA Chartered Accountants

(CA. G.M.CHANNAPPA SETTY)
PROPRIETOR
M.No: 020227
UDIN:22020227AKYWOO7555

Place: Belgaum.
Date: 09th May,2022.

For and on behalf of Board

(Nikhil U. Katti)
Managing Director
DIN.02505734

(Mukesh Kumar)
Executive Director
DIN.02827073

(Sheshagiri H Kulkarni)
Chief Financial officer

(CS.Priya Dedhia)
Company Secretary

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305
(CIN: L85110KA1995PLC017730)

AUDITED BALANCE SHEET AS AT 31st MARCH, 2022

(Rs.in Lakhs)

Particulars	Note No.	2022	2021
ASSETS			
Non-current assets			
Property plant and Equipment	2	29961.33	28218.15
Capital Work Inprogress	2	0.00	0.00
Intangible assets		0.00	0.00
Financial assets			
Investments	3	130.74	130.74
Other financial assets	4	509.57	384.76
Deferred tax Assets (net)	14	1352.68	0.00
Other non current assets	5	0.00	0.00
		31954.32	**28733.65**
Current assets			
Inventories	6	36679.81	28571.73
Financial assets			
Investments	3	0.00	0.00
Trade receivables	7	3224.51	2996.99
Cash and cash equivalent	8	1226.70	4837.22
Other Bank Balances	9	89.35	48.60
Other financial assets	4	5.92	2.99
Other current assets	5	3774.97	6011.31
		45001.26	**42468.83**
		76955.57	**71202.49**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	3755.60	3755.60
Other Equity	11	24503.25	18844.93
		28258.85	**22600.53**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	8969.30	10242.93
Long Term Provisions	13	289.20	273.51
Deferred tax liabilities (net)	14	0.00	81.40
Other non-current liabilities	15	0.00	0.00
		9258.50	**10597.84**
Current liabilities			
Financial Liabilities			
Borrowings	12	28074.25	27382.80
Trade payables	16	9375.68	6674.48
Other financial liabilities	17	640.10	322.13
Other current liabilities	15	608.14	3023.03
Provisions	18	740.05	601.68
		39438.22	**38004.11**
TOTAL		**76955.57**	**71202.49**

The accompanying notes 01 to 53 form an integral part of the financial statements.

"As per our report of even date"
For M/s. GOJANUR & CO
Chartered Accountants
FRN.000941S
P.R.C.No.011335

(CA. G.M.CHANNAPPA SETTY)
PROPRIETOR
M.No: 020227
UDIN:22020227AKYWOO7555

Place: Belgaum.
Date: 09th May,2022.

For and on behalf of Board

(Nikhil U. Katti)
Managing Director
DIN.02505734

(Mukesh Kumar)
Executive Director
DIN.02827073

(Sheshagiri H Kulkarni)
Chief Financial officer

(CS.Priya Dedhia)
Company Secretary

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI
Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305
(CIN: L85110KA1995PLC017730)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(Rs.in Lakhs)

Particulars	2022	2021
Cash Flows from Operating Activities		
Net profit before tax	4718.03	1222.95
Adjustments for :		
Depreciation and amortization expense	1551.25	1474.74
Finance Cost	3227.91	3565.72
Dividend Income	(13.71)	0.00
(Profit)/Loss on sale of assets	0.00	(2.92)
Operating profit before working capital changes	**9483.48**	**6260.49**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(227.51)	(471.10)
(Increase)/Decrease in Other financial assets	(127.74)	138.47
(Increase)/Decrease in Inventories	(8108.09)	463.39
(Increase)/Decrease in Other Current Assets	2236.35	(734.95)
(Increase)/Decrease in Other Non Current Assets	0.00	0.00
Increase/(Decrease) in Trade Payables	2701.20	462.73
Increase/(Decrease) in Other financial liabilities	317.97	(696.47)
Increase/(Decrease) in Other Current liabilities	(2414.88)	122.99
Increase/(Decrease) in Long Term Provisions	15.69	76.90
Increase/(Decrease) in Short Term Provisions	(219.35)	178.92
Changes in Working Capital	**(5826.36)**	**(459.11)**
Cash generated from operations	**3657.11**	**5801.37**
Interest received on Deposits		
Direct Taxes Paid	(136.06)	(211.37)
Net Cash from operating activities (A)	**3521.05**	**5590.00**
Cash flows from Investing Activities		
Dividends Received	13.71	-
Purchase of Fixed Assets (Including CWIP)	(3323.46)	(874.06)
Sale of Fixed Assets	29.03	21.35
Purchase/Sale of Investment	0.00	0.00
Net Cash used in Investing Activities	**(3280.72)**	**(852.71)**
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	(1,273.63)	2,198.35
Repayment/(Proceeds) of/from Short-term borrowings	691.45	745.91
Interest paid	(3227.91)	(3565.72)
Proceedings from Share Issue	0.00	0.00
Premium on Share Issue	0.00	0.00
Net Cash used in Financing Activities	**(3810.10)**	**(621.45)**
Net Increase/(Decrease) in cash and cash equivalents	**(3569.77)**	**4115.83**
Cash and Cash equivalents at the beginning of the year	4885.82	769.99
Cash and Cash equivalents at the ending of the year	**1316.05**	**4885.82**

Notes :-

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.

"As per our report of even date"

GOJANUR & CO., M.No. 020227 FRN No. 000415 SHIVAMOGGA Chartered Accountants

3.Ind AS 7 cash flow requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liability arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet disclosure requirement.

Particulars	As at 31st March, 2021	Cash flows	As at 31st March, 2022
Borrowings - Non Current	10,243	-1,274	8,969
Borrowings - Current	27,383	691	28,074

1 A) Components of cash & cash equivalents	**As at 31st March, 2021**	**As at 31st March, 2022**
1.Cash on hand	8.61	19.92
2.Cheques on hand	0.00	0.00
3.Balances with banks		
- In Current accounts	1,207.68	4,817.30
- Unclaimed (Unpaid) Dividend Bank Account	10.41	0.00
- Margin Money Deposit Accounts (against Bank Guarantees)	89.35	48.60
Cash & cash equivalents as above	**1,316.05**	**4,885.82**

For M/s. GOJANUR & CO
Chartered Accountants
FRN.000941S
P.R.C.No.011335

GOJANUR & CO. M.No: 020227 FRN No: 000941S SHIVAMOGGA Chartered Accountants

(CA. G.M.CHANNAPPA SETTY)
PROPRIETOR
M.No: 020227
UDIN:22020227AKYWOO7555

Place: Belgaum.
Date: 09th May,2022.

For and on behalf of Board

(Nikhil U. Katti)
Managing Director
DIN.02505734

(Mukesh Kumar)
Executive Director
DIN.02827073

(Sheshagiri H Kulkarni)
Chief Financial officer

(CS.Priya Dedhia)
Company Secretary

Vishwaraj Sugar Industries Limited
Registered Office: Bellad Bagewadi, Taluk: Hukkeri District: Belagavi, Karnataka -591305
(CIN:L85110KA1995PLC017730)

SEGMENT INFORMATION FOR THE YEAR ENDED 31.03.2022

Rs. In lakhs

Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
1. Segment revenue		
--Income from Operations		
(a) Sugar	27,289.04	32,641.70
(b) Co-generation	2,480.75	2,678.80
(c) Distillery	15,042.56	5,859.44
(d) IML	-	-
(e) Vinegar Unit	1,929.48	1,319.30
--Other operating income		
(a) Others	133.27	147.14
(b) Unallocable revenue	-	-
Total		
Less: Inter segment revenue		-
Income from operations (net)	**46,875.10**	**42,646.38**
2. Segment Results		
(a) Sugar	(11,964.33)	(5,141.91)
(b) Co-generation	2,480.42	1,302.24
(c) Distillery	15,876.00	9,349.81
(d) IML	45.39	(70.04)
(e) Vinegar Unit	1,418.66	(2.77)
Less: Unallocable (expenditure)/revenue:		
Total		
(a) Finance Costs	3,227.91	3,565.72
(b) Other expendituure (net of other income)	(89.81)	648.68
Profit before tax	**4,718.03**	**1,222.95**
	(0.00)	(0.00)
3. Segment Assets		
(a) Sugar	19,445.27	22,451.28
(b) Co-generation	7,157.41	6,965.91
(c) Distillery	3,998.29	4,024.85
(d) IML	337.02	380.89
(e) Vinegar Unit	2,334.28	2,382.24
(f) Un-allocable	43,683.31	34,997.32
Total assets	**76,955.57**	**71,202.49**
	(0.00)	0.00

GOJANUR & CO., M.No. 020227 FRN No. 000941S SHIVAMOGGA Chartered Accountants

4. Segment liabilities		
(a) Sugar	42,070.93	41,830.22
(b) Co-generation	1,625.00	2,725.00
(c) Distillery	2,025.00	2,250.00
(d) IML	-	-
(e) Vinegar Unit	-	-
(f) Un-allocable	31,234.64	24,397.27
Total liabilities	**76,955.57**	**71,202.49**

"As per our report of even date"
For M/s. GOJANUR & CO
Chartered Accountants
FRN.000941S
P.R.C.No.011335

GOJANUR & CO. M.No. 020227 FRN No. 000941S SHIVAMOGGA Chartered Accountants

(CA. G.M.CHANNAPPA SETTY)
PROPRIETOR
M.No: 020227
UDIN:22020227AKYWOO7555

Place: Belagavi.
Date: 09th May,2022.

For and on behalf of Board

(Nikhil U. Katti)
Managing Director
DIN.02505734

(Mukesh Kumar)
Executive Director
DIN.02827073

(Sheshagiri Kulkarni)
Chief Financial officer

(CS.Priya Dedhia)
Company Secretary

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI
Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305
(CIN: L85110KA1995PLC017730)

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2022

2021-22

(Rs.in Lakhs)

Equity share capital	Opening balance as at 01/04/2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01/04/2021	Changes in equity share capital during the year	Closing balance as at 31/03/2022
18,77,80,000 Equity Share of Rs.2/- each fully paid up	3,756	-	3,756	3,756	3,756
	3,756	-	**3,756**	**3,756**	**3,756**

PARTICULARS	RETAINED EARNINGS	GENERAL	CAPITAL RESERVE	ACTURIAL	TOTAL EQUITY
Balance as at 1/4/2021	15,803.83	-	2,966.39	74.72	18,844.92
Profit for the year	6,016.04	-	-	-	6,016.04
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	17.84	17.84
Proposed Dividend*	(375.56)				(375.56)
Balance as at 31/03/2022	**21,819.87**	-	**2,966.39**	**92.56**	**24,503.25**

** Dividend has been proposed by the board @10% of the Paid up share capital and subjected to approval by the shareholders in the Annual general meeting.*

2020-21

(Rs.in Lakhs)

Equity share capital	Opening balance as at 01/04/2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01/04/2020	Changes in equity share capital during the year	Closing balance as at 31/03/2021
3,75,56,000 Equity Shares of Rs.10 each, fully paid up	3,756	-		3,756	-
	3,756	-	-	**3,756**	-

PARTICULARS	RETAINED EARNINGS	GENERAL RESERVE	CAPITAL RESERVE	ACTURIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2020	15,350.08	-	1,466.39	110.51	16,926.98
Profit for the year	829.29	-	1,500.00	-	2,329.29
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(35.79)	(35.79)
Proposed Dividend*	(375.56)				(375.56)
Balance as at 31/03/2021	**15,803.81**	-	**2,966.39**	**74.72**	**18,844.93**

GOJANUR & CO., M.No. 020227 FRN No. 0009415 SHIVAMOGGA Chartered Accountants

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI
Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305
(CIN: L85110KA1995PLC017730)

Disclosure of Ratios for the year 2021-22

	Ratio	Formula	2021-22 Values	2021-22 Ratio	2020-21 Values	2020-21 Ratio	% of Change
1	**Currrent Ratio**	Current Assets	44,996.20	1.14	42,468.85	1.12	2%
		Current Liabilities	39,432.75		38,004.12		*less than 25% change*
2	**Debt Equity**	shot term debt + long term debt + other fixed payments	48,691.25	1.72	48,601.96	2.15	-20%
		share holders equity	28,259.27		22,600.53		*less than 25% change*
3	**Debt Service Coverage Ratio =**	Earnings available for debt service	12,069.25	2.68	6263.41	1.76	53%
		Debt Service	4,501.54		3565.72		
	Explanation: There has been an increase in profitability of the company due to the efficiency of its distillery unit and due to the government ethanol policy supporting the supply and pricing of ethanol from sugar industries to OMC. Further the governmet policies in respect to sugar also have resulted in stable prices and led to increase in profit.						
4	**Return on Equity (ROE)**	Net Profits after taxes – Preference Dividend (if any)	6,034.30	0.21	793.50	0.04	508%
		Average Shareholder's Equity	28,259.27		22,600.53		
	Explanation: There has been an increase in profitability of the company due to the efficiency of its distillery unit and due to the government ethanol policy supporting the supply and pricing of ethanol from sugar industries to OMC. Further the governmet policies in respect to sugar also have resulted in stable prices and led to increase in profit.						
5	**Inventory TO Ratio**	Sales	46,875.10	1.44	42,646.38	1.49	-4%
		Avg Inventory	32,625.78		28,571.73		*less than 25% change*
6	**Trade Receivables TO Ratio**	Net Credit Sales	3,224.51	1.04	2,996.99	1.09	-4%
		Avg. Trade Receivables	3,110.75		2,761.45		*less than 25% change*
7	**Trade Payables TO Ratio**	Net Credit Purchases	9,370.21	1.17	6674.48	1.03591	13%
		Avg. Trade Payables	8,022.35		6443.115		*less than 25% change*
8	**Net capital turnover ratio =**	Net Sales	46,875.10	9.35	42646.38	13.0473	-28%
		Average Working Capital	5,014.11		3268.61		
	Explanation: The company's sale has increased by around 10%. However the Net current assts has increased by 53% approx. This is due to the increase in Receivables due to increase in sales.						
9	**Net Profit Margin (in %)**	PAT	6,034.30	12.83	793.50	1.86	591%
		Total Revenue	47,027.41		42,707.79		
	Explanation: The company has earned profit during the year due to increase in ethanol production and supply to OMC's and the price of ethanol has been increased by the Central government. Further also the sugar price has been more stable compared to previous year. Hence there is increase in profit.						
10	**Return on capital employed (ROCE)**	Earning before interest and taxes	7,946.36	21.18	4788.67	0.14	14584%
		Capital Employed	37,517.77		33198.37		
	Explanation: There has been an increase in profitability of the company due to the efficiency of its distillery unit and due to the government ethanol policy supporting the supply and pricing of ethanol from sugar industries to OMC. Further the governmet policies in respect to sugar also have resulted in stable prices and led to increase in profit.						
11	**Return on investment**	{MV(T1) – MV(T0) – Sum [C(t)]}	(4.54)	-0.18	11.37	0.89	-121%
		{MV(T0) + Sum [W(t) * C(t)]}	24.94		12.84		
	T1 = End of time period	31/03/2022			31/03/2021		
	T0 = Beginning of time period	01/04/2021			01/04/2020		
	t = Specific date falling between T1 and T0	1			1		
	MV(T1) = Market Value at T1	20.2			24.01		
	MV(T0) = Market Value at T0	24.94			12.84		
	C(t) = Cash inflow, cash outflow on specific date						
	W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1						
	Explanation: There has been an increase in profitability of the company due to the efficiency of its distillery unit and due to the government ethanol policy supporting the supply and pricing of ethanol from sugar industries to OMC. Further the governmet policies in respect to sugar also have resulted in stable prices and led to increase in profit.						

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VISHWARAJ SUGAR INDUSTRIES LIMITED

Note.1. Overview and notes to the financial statements

1.1. Company overview:

Vishwaraj Sugar Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at BelladBagewadi, Taluka Hukkeri, Belgaum – 591 305, Karnataka, India. The company's operations comprises of Production of sugar, alcoholic spirits by distillation including ethanol, blending and bottling of Indian made foreign liquor (IMFL), vinegar and generation of power.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,205, as amended, ("Ind AS") and other accounting principles generally accepted in India

1.2. Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3. Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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1.4. Critical accounting estimates and judgments

Revenue Recognition:

The Company recognizes revenue from Sale of Goods when it transfers the property in Goods to the buyer for a price or all significant risks and rewards of ownership has been transferred to the buyer and no significant uncertainty exists as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Sales have been stated exclusive of Excise Duty (except IMFL sales) and GST. Other revenue is recognized only when it is reasonably certain that the ultimate collection will be made. The same is in compliance with Ind AS-18 to the extent applicable.

1.5. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on reference with Schedule-II t the Companies act,2013 and historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

1.6. Leases

Interests in leasehold land are recorded and classified as operating leases or finance leases as per set definition and classification criteria. An important consideration is that the land has an indefinite economic life. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset.

1.7. Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

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VISHWARAJ SUGAR INDUSTRIES LIMITED

1.8. Income taxes:

The company has made Provision for Current taxes as per sec.115BAA tax rate as per Income tax act,1961 during the year. The option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for the income tax for the year ended 31.03.2022.

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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2. Property, plant and equipment.

(Rs.in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Impairment for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Land	588.88	152	-	741.03	-	-	-	-	-	741.03	588.88
Factory Buildings	4,957.28	625.90	-	5,583.18	841.03	206.31	-	-	1,047.34	4,535.84	4,116.25
Other Building	3,249.24	25.42	-	3,274.67	262.47	53.80	-	-	316.27	2,958.40	2,986.77
Plant and equipment	25,336.04	2,428.55	29.03	27,735.56	5,149.69	1,225.95	-	-	6,375.64	21,359.92	20,186.35
Vehicles	428.21	36.42	-	464.63	145.23	40.18	-	-	185.41	279.23	282.98
Office Equipment	46.19	52.52	-	98.71	32.79	15.41	-	-	48.19	50.51	13.40
Furniture & Fixtures	91.30	2.50	-	93.80	47.79	9.60	-	-	57.39	36.41	43.51
	34,697.15	3,323.46	29.03	37,991.58	6,479.00	1,551.25	-	-	8,030.25	29,961.33	28,218.15
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
Total	**34,697.15**	**3,323.46**	**29.03**	**37,991.58**	**6,479.00**	**1,551.25**	**-**	**-**	**8,030.25**	**29,961.33**	**28,218.15**

Note: Depreciation is calculated as per schedule II of Companies act,2013.

(Rs.in Lakhs)

Particulars	Gross carrying value (Restated)				Accumulated depreciation / impairment (Restated)					Net carrying value (Restated)	
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Impairment for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land	588.88	-	-	588.88	-	-	-	-	-	588.88	588.88
Factory Buildings	4,462.68	494.60	-	4,957.28	648.13	192.90	-	-	841.03	4,116.25	3,814.55
Other Building	3,249.24	-	-	3,249.24	209.08	53.39	-	-	262.47	2,986.77	3,040.16
Plant and equipment	25,040.36	305.85	10.17	25,336.04	3,977.36	1,173.10	-	1	5,149.69	20,186.35	21,063.01
Vehicles	396.94	69.64	38.36	428.21	138.70	35.85	-	29.33	145.23	282.98	258.23
Office Equipment	43.82	2.37	-	46.19	25.10	7.68	-	-	32.79	13.40	18.71
Furniture & Fixtures	89.70	1.60	-	91.30	35.98	11.81	-	-	47.79	43.51	53.72
	33,871.62	874.06	48.53	34,697.15	5,034.36	1,474.74	-	30.10	6,479.00	28,218.15	28,837.26
Capital Work in progress	1,126.02	-	1,126	-	-	-	-	-	-	-	-
Total	**34,997.64**	**874.06**	**1,174.55**	**34,697.15**	**5,034.36**	**1,474.74**	**-**	**30.10**	**6,479.00**	**28,218.15**	**28,837.26**

** The Capital WIP amount reflected in the Disposal column is actually the amount transferred from Capital WIP to the Respective Capital Assets when capitalised.*

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3. Investments

(Rs.in Lakhs)

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Unquoted investments in equity instruments at FVTPL				
Bellad Bagewadi Urban Souhard Sahakari Shares (100 shares of Rs.10/- each)	-	0.10	-	0.10
BDCC Bank Shares (26128 shares of Rs.500/- each)	-	130.64	-	130.64
Equity Shares Fully Paid-up (unquoted)	-	**130.74**	-	**130.74**
Aggregate amount of unquoted investments	-	**130.74**	-	**130.74**
Total Invetsments	-	**130.74**	-	**130.74**

4. Other Financial Assets

(Rs.in Lakhs)

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Security Deposits	-	509.57	-	384.76
Other Financial Assets	5.92	-	2.99	-
TOTAL	**5.92**	**509.57**	**2.99**	**384.76**

5. Other Non Current Assets and Current Assets

(Rs.in Lakhs)

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Deposits/Balances with Statutory Authorities	793.23	-	376.24	-
Other Current Assets (includes Advances to Suppliers & Service	2,981.74	-	5,635.07	-
TOTAL	**3,774.97**	-	**6,011.31**	-

6. Inventories

(Rs.in Lakhs)

Particulars	2022	2021
	Current	Current
Valued at lower of cost and net realisable value.		
-Raw Materials	11,275.67	7,250.89
-Process Stocks	-	-
-Stores & Spares	1,029.85	853.19
-Finished Goods	24,374.29	20,467.65
TOTAL	**36,679.81**	**28,571.73**

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7. Trade receivables

(Rs.in Lakhs)

Particulars	2022	2021
	Current	Current
Trade Receivables		
Unsecured,considered good		
Related Parties		
-Doubtful		
-Other Debts -Good	71.08	43.28
Others		
-Doubtful		
-Other Debts -Good	3,876.74	4,202.94
	3,947.82	4,246.22
Less: Allowances for credit losses	723.32	1,249.22
Less: Bad debts Written off	-	-
TOTAL	**3,224.51**	**2,996.99**

Trade Receivables Classification

(Rs.in Lakhs)

Particulars	2022	2021
Unsecured		
O/s More than six months		
- Promoter/Promoter group	23.07	13.85
- Others	1,112.67	2,045.21
O/s Less than six months		
- Promoter/Promoter group	48.01	29.43
- Others	2,764.08	2,157.73
	3,947.82	**4,246.22**

Note: For Ageing schedule of Trade Receivable refer note no.50

8. Cash and Cash Equivalents

(Rs.in Lakhs)

Particulars	2022	2021
a) Cash and Cash equivalents		
i) Cash on hand	8.61	19.92
ii) Balances with banks		
- Current Accounts	1,207.68	4,817.30
- On Deposit Accounts	-	-
iii) Unclaimed (unpaid) Dividend Bank Account	10.41	-
	1,226.70	**4,837.22**

9.Other Bank Balances

(Rs.in Lakhs)

Particulars	2022	2021
b) Other Bank Balances (with restricted use)		
(i)Margin Money Deposit Accounts (against Bank Guarantees)	89.35	48.60
Total	**89.35**	**48.60**

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10.Share Capital

(Rs.in Lakhs)

Particulars	2022		2021	
Authorized Share Capital 30,00,00,000 Equity Shares of Rs.2 each* (Previous year :6,00,00,000 Equity Shares of Rs.10 each)		6000.00		6000.00
Issued Subscribed and Paid up Share Capital 18,77,80,000 Equity Share of Rs.2/- each fully paid up* (Previous year :3,75,56,000 Equity Shares of Rs.10 each, fully paid up)		3755.60		3755.60
		3755.60		**3755.60**
Details of shareholders holding more than 5% shares :	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
1. Nikhil Umesh Katti	1,84,64,375	9.83%	34,92,875	9.30%

* The Rs.10/- face value Equity shares of the company has been sub-divided into Face value of Rs.2/- per share w.e.f from 22nd october,2021.

10.1 Reconciliation of Number of Shares :

(Nos.in Lakhs)

Particulars	2022		2021
Number of Shares at the beginning of the year		1,877.80	375.56
Add : Shares issued during the year		0.00	-
Number of Shares at the end of the year	-	**1,877.80**	**375.56**

10.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share.The company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

10.3 Shares held by propoters at the end of the year

	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	UMESH VISHWANATH KATTI	70,92,820	3.78	-
2	NIKHIL UMESH KATTI	1,84,64,375	9.83	5.73
3	SNEHA NITHIN DEV	22,46,250	1.20	-
4	KUSH RAMESH KATTI	57,25,375	3.05	-
5	LAVA RAMESH KATTI	65,01,375	3.46	18.18
6	JAYASHREE RAMESH KATTI	62,94,000	3.35	-
7	SHEELA UMESH KATTI	57,05,000	3.04	-
8	RAMESH VISHWANATH KATTI	66,44,750	3.54	-
	Total	**5,86,73,945**		
	Promoters Group			
1	BASAVARAJ S UTTUR	10,00,000	0.53	-
2	SATISH MAHALINGAPPA GHULI	5,000	0.00	-
3	RAVINDRA SHRIKANT KATTI	22,85,672	1.22	-
4	YUVARAJ CHUNAMURE	5,000	0.00	-
5	GHULI SUHAS MAHALING	5,000	0.00	-
6	ABHINANDAN DHANAPAL KHEMALAPURE	12,61,093	0.67	-
7	RAMESH SHIRALKAR	11,500	0.01	-
8	PADMAJA KATTI	25,000	0.01	-
	Total	**45,98,265**		

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11. Other Equity

(Rs.in Lakhs)

Particulars	2022	2021
Security Premium		
Opening Balance	2,966.39	2,966.39
Add / (Less): Changes during the year	-	-
Add: Premium on share capital	-	-
Less: Utilized/transfer during the period	-	-
Closing Balance	**2,966.39**	**2,966.39**
Profit & Loss A/c		
(i) Opening Balance	15,803.82	15,350.09
Add / (Less): Changes during the year		
Less: Transistional Adjustments		
Deferrred Tax on account of IND AS		
Expected Credit Loss		
Finance cost de-recognised based on effective interest cost		
Measurement of Employee benefit at Fair Value		
Actuarial Gain/ (loss) in OCI	92.56	74.72
(ii) Add: Profit for the year	6,016.04	829.29
Less:Proposed Dividend (@ 10% on paid up ca	375.56	375.56
Less: Dividend Distribution Tax	-	-
Net Profit Transfer to Reserves	5,640.48	453.73
Closing Balance	**21,444.30**	**15,803.82**
	24,503.25	**18,844.93**

12. Borrowings

(Rs.in Lakhs)

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
loans from Banks				
-Term Loans (#1)		8,934.55		10,236.62
-Hypothecation Loans for Vehicles (#2)		34.75		6.31
Working Capital facilities (#3)	24,248.23	-	24,655.21	-
Unsecured Borrowings		-		-
Total	**24,248.23**	**8,969.30**	**24,655.21**	**10,242.93**
Add: Current Maturities of Long Term Debt	**3,826.02**	-	**2,727.59**	
	28,074.25	**8,969.30**	**27,382.80**	**10,242.93**

Terms and conditions

#1. Details of Term Loans from Banks are as follows:

Name of the Lender	Date of Sanction	Amount Sanctioned (Rs. in lakhs)	Rate of Interest	Repayment Schedule	Details of Security
BDCC Bank	13/06/2017	4,000.00	13.00%	Repayable in 26 equal quarterly installments of Rs.166.66 lakhs	Charge on all the Movable & Immovable Assets of the sugar factory

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BDCC Bank	29/05/2018	3,000.00	13.00%	Repayable in 20 equal quarterly installments of Rs.150.00 lakhs	Charge on all the Movable & Immovable Assets of the Co-gen plant
BDCC Bank	09-06-2018	2,500.00	13.00%	Repayable in 20 equal quarterly installments of Rs.125.00 lakhs	Charge on all the Movable & Immovable Assets of the Co-gen plant
BDCC Bank	29.05.2019	1,842.00	13.00%	Repayable in 12 equal Monthly installments of Rs.153.50 lakhs	Pledge of Sugar Stocks
BDCC Bank	05.09.2018	2,250.00	13.00%	Repayable in 24 equal Quarterly installments of Rs.112.50 lakhs	Charge on all the Movable & Immovable Assets of the Distillery Unit
Bank of India	16.03.2021	4,428.00	8.35%	Repayable in 48 equal Monthly installments of Rs.108.92 lakhs	2nd Chanrge on Fixed Assets on Sugar, Cogen & Distillery Unit

#2. Details of Vehicle Loans from Banks are as follows:

Name of the Lender	Amount Sanctioned (Rs. In lakhs)	Rate of Interest	Repayment Schedule	Details of Security
Bank of India Hero HFB Delux	25.00	9.20%	Repayable in monthly installments of Rs. 0.80 lakhs each	Vehicles
Sate Bank of India, ZLX Bolero Loan	9.00	9.00%	Repayable in monthly installments of Rs. 0.19 lakhs each	Vehicles
Sate Bank of India, Carnival Loan	28.00	8.35%	Repayable in monthly installments of Rs. 0.83 lakhs each	Vehicles

#3. The Working Capital Loan is in the form of Cash credit from Bank of India & State bank of India was secured by pledge of sugar and Other Stock and Receivables.

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13. Long Term Provisions

(Rs.in Lakhs)

Particulars	2022	2021
Employee Benefits		
Gratuity	289.20	273.51
	289.20	**273.51**

14.Deffered Tax (Assets)/Liabilities

(Rs.in Lakhs)

Particulars	2022	2021
Opening Balance	(81.40)	(100.88)
Add : Mat Credit Entitlement	2,567.21	-
Less : On account of depreciation & Accumulated Los	(23.14)	170.73
Add : On account of Provision for gratuity	13.07	11.55
Less: Accumulated loss c/f now setoff	(1123.06)	0.00
Closing Balance (Assets)/Liabilities	**1352.68**	**81.40**

#refer Note-28

15. Other Non Current Liabilities & Current liabilities

(Rs.in Lakhs)

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Statutory Dues Payable	359.40	-	2806.23	-
Other Payables	248.75	-	216.80	-
Total	**608.14**	**-**	**3023.03**	**-**

16. Trade Payables

(Rs.in Lakhs)

Particulars	2022	2021
Due to Micro & Small Enterprises	-	-
Dues to others		
For Others	9375.68	6674.48
Total	**9375.68**	**6674.48**

Note:- 1.There is no sufficient information available with the company regarding Micro and Small enterprises Vendors , hence it is not possible to identify vendors as Micro and Small enterprises

2.For Ageing schedule of Trade payable refer note no.51

17.Other financial liabilities

(Rs.in Lakhs)

Particulars	2022	2021
	Current	Current
Trade Deposits & Advances	91.70	61.37
Other Financial Liabilities	548.40	260.76
Total	**640.10**	**322.13**

18. Provisions

(Rs.in Lakhs)

Particulars	2022	2021
Gratuity Provision (#refer Note-38)	17.05	14.74
Provision for tax	347.44	211.37
Proposed Dividend on Equity shares	375.56	375.56
Total	**740.05**	**601.68**

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19. Revenue from operations

(Rs.in Lakhs)

Particulars	2022	2021
Sales (Inculsive of Excise duty)	46,593.73	41,010.01
Other Operating Revenue (Export & Buffer stock Subsidy)	281.37	1,636.37
Revenue from operations	**46,875.10**	**42,646.38**

20. Other income

(Rs.in Lakhs)

Particulars	2022	2021
Dividend Income	13.71	-
Rental Income	82.86	2.31
Insurance Claims and Income	31.97	29.63
Other Non - Operating Income	23.77	29.47
Balances Written - off	-	-
Total	**152.31**	**61.41**

21.Cost of materials consumed

(Rs.in Lakhs)

Particulars	2022	2021
Raw Materials Consumed	37,737.25	30,202.84
Stores, Spares, Chemicals & Packing Materials Consumed	1,416.31	916.87
Total	**39,153.56**	**31,119.71**

22. Changes in inventories

(Rs.in Lakhs)

Particulars	2022	2021
Raw Material		
Opening	7,250.89	2,933.27
Closing	11,275.67	7,250.89
	(4,024.78)	(4,317.62)
Work-in-progress		
Opening	-	-
Closing	-	-
	-	-
Stores & Spares		
Opening	-	-
Closing	-	-
	-	-
Finished goods		
Opening	20,467.65	25,330.87
Closing	24,374.29	20,467.65
	(3,906.64)	4,863.22
Total	**(7,931.42)**	**545.60**

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23. Other Manufacturing Expenses (Rs.in Lakhs)

Particulars	2022	2021
Processing, Transportation and Other Charges	1,435.89	588.18
Power & Fuel	1,190.28	451.33
Repairs - Plant & Machinery	936.94	929.26
Total	**3,563.11**	**1,968.77**

24.Employee benefits expense (Rs.in Lakhs)

Particulars	2022	2021
Salaries and Wages to employees	1,556.47	1,158.20
Contribution to Providend and other Funds	127.52	103.74
Staff Welfare Expenses	150.87	122.15
Total	**1,834.86**	**1,384.09**

25. Finance costs (Rs.in Lakhs)

Particulars	2022	2021
Interest Expense	3,097.18	3,449.60
Other borrowing costs	130.73	116.12
Total	**3,227.91**	**3,565.72**

26. Other expenses (Rs.in Lakhs)

Particulars	2022	2021
Rent	8.73	8.87
Advertisement, Publicity & Sales Promotion	277.96	216.28
Insurance	133.66	126.53
Travelling Expenditure	34.11	11.54
Vehicle Running & Maintenance	311.55	274.85
Printing & Stationery	7.67	7.56
Communication Expenses	7.18	7.09
Legal, Professional & Consultancy Charges	115.48	117.50
Discount, Rebate & Commission on Power sale	131.05	136.04
Loss/(Gain) on Sale / Disposal of Fixed Assets	-	17.27
Freight Charges	14.84	4.53
Donation	-	3.00
Licence Fees & Taxes	184.87	129.18
Corporate Social Responsibility Expenses	-	-
Other Miscellaneous Exp	208.94	110.25
Expected Credit Loss	(525.91)	255.72
Total	**910.13**	**1,426.21**

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27. Corporate Social Responsibility expenditure

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Amount required to be spent	-	-
b) Amount Spent	-	-

The Company is not liable to Corporate Social Responsibility expenditure as per company's act,2013 during the reporting period.

28. Tax expenses:

(a) Income tax expense recognised in the statement of profit and loss

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Current Tax	347.44	211.37
b) Deferred Tax	(1434.08)	182.28
c) Excess tax provision reversed Fy 2020-21	(211.37)	-

(b) Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax(assets)/liabilities:		
Property, plant and equipment	(23.14)	136.77
MAT Credit Entitlement	2567.21	(211.37)
Accumulated Losses	(1123.06)	268.44
43B Disallowances	13.07	(11.55)
Net deferred tax (assets)/liabilities	**1434.08**	**182.28**

(c) Income tax expense recognised in other comprehensive income.

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Tax effect on re measurement of defined benefit obligation	-	-

29. Auditors Remuneration.

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Audit fees	5.00	5.00
b) For Other Matters	2.00	2.00
TOTAL	**7.00**	**7.00**

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30. Earnings per Share

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net Profit attributable to equity holders	6033.88	829.29
Weighted average number of equity shares	**3755.60**	**375.56**
Total weighted average number of equity shares outstanding at the end of the year	**3755.60**	**375.56**
Add : Effect of division of face value of equity shares *	-	-
Add: Effect of Bonus Equity shares issued	-	-
Total weighted average number of equity shares outstanding at the end of the year	**3755.60**	**375.56**
Nominal Value per Equity Share*	2	10
Basic EPS (In Rs.)	**3.21**	**2.11**
Diluted EPS (In Rs.)	**3.21**	**2.11**

*** The Rs.10/- face value Equity shares of the company has been sub-divided into Face value of Rs.2/- per share w.e.f from 22nd october,2021.**

31. Contingent liabilities and commitments.

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Court Cases	1,315.08	1,315.08
(b) Bank Guarantee	218.37	144.26
c) EPCG Export Obligation	289.99	289.99
Total	**1,823.44**	**1,749.33**

* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

32. Related Parties

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

2022	2021
Mr. Umesh V Katti	Mr. Umesh V Katti
Mrs. Sheela UmeshKatti	Mrs. Sheela UmeshKatti
Nikhil U Katti	Nikhil U Katti
Lava R Katti	Lava R Katti
Kush R Katti	Kush R Katti
Mukesh Kumar	Mukesh Kumar
Mallikarjun J Pujar	Mallikarjun J Pujar
CS PriyaDedhia	CS SnehaPatil
Mr. Sheshagiri H. Kulkarni	CS PriyaDedhia
	Mr. Sheshagiri H. Kulkarni

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*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 -Employee Benefit. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

The following is a summary of significant related party transactions:

(Rs. In Lakhs)

Name of Related Party	As at 31st March, 2022	As at 31st March, 2021
DIRECTORS REMUNERATION		
Mr.NikhilKatti	36.00	36.00
Mr. Mukesh Kumar	27.00	27.00
Mr.LavaKatti	24.00	24.00
Mr.KushKatti	24.00	24.00
SALARY		
Mr.MallikarjunPujar	8.53	8.57
Mrs.SnehaPatil	0.00	4.78
Mr.Sheshagiri Kulkarni	7.75	6.23
Mrs.PriyaDedhia	3.00	0.40
PURCHASES		
Mr.Umesh V. Katti	7.49	11.02
Mr.Ramesh V Katti	10.78	34.72
Mrs.SheelaUmeshKatti	0.00	27.93
Mr.NikhilKatti	57.46	21.26
Mr.LavaKatti	28.59	29.10
Mr.KushKatti	33.53	13.26
Mr.MallikarjunPujar	9.43	0.00
PURCHASE ADVANCE		
Mr.Nikhil U Katti	40.78	40.78
Mr.Lava R Katti	52.47	52.47
Mr.Kush R Katti	57.24	57.24
LEASE SECURITY DEPOSIT		
Mr.NikhilKatti	200.00	200.00

*In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length price.

Associates / Enterprises over which directors and / or their relatives has significant influence

2022	2021
U R Agrofresh Private Limited	U R Agrofresh Private Limited
Vishwaraj Infrastructure Private Limited	Vishwaraj Infrastructure Private Limited
UK27 Hospitality Services (India) Limited	UK27 Hospitality Services (India) Limited
M/s Vishwaraj Developers	M/s Vishwaraj Developers
VishwarajEncivil India Private Limited	VishwarajEncivil India Private Limited
UK Ventures	-

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The following is a summary of significant related transactions with the entities having significant influence.

(Rs. In Lakhs)

Name of Related Party	As at 31st March, 2022	As at 31st March, 2021
UR Agro Fresh Private Limited		
Sales during the year	121.50	57.83
Receivables	70.91	42.32
Advances		
Opening Balance o/s	325.00	325.00
Advances given during the year	0.00	0.00
Closing Balance o/s	325.00	325.00
UK 27 Hospitality services (India) Limited		
Sales	1.27	1.09
Receivables	0.17	0.37
TA & DA Expenses	1.49	0.43
TA & DA Payable Outstanding	0.48	0.00
Vishwaraj Developers		
Sales	0.00	0.00
Receivables	0.00	0.58

33. Fair value measurements

(i) Financial instruments by category

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	130.74	-	130.74	-
Loans	-	-	-	-
Trade Receivables	3,224.51	-	2,996.99	-
Cash &Cash Equivalents	1,226.70	-	4,837.22	-
Bank Balances other than cash & cash Equivalents	89.35	-	48.60	-
Other Financial Assets	515.49	-	387.75	-
Financial Liabilities				
Borrowings	-	37,043.55	-	34,898.14
Trade Payables	9,375.68	-	6674.48	-
Other Financial Liabilities	640.10	-	322.13*	-

*Regrouped as per Revised schedule iii.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

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34. Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

(Values In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings in Foreign currency	-	-
Expenditure in Foreign currency		
-USD	3.98	3.90
-Euro	90.25	0.00
Advance Amount Return		
-USD	0.00	78.22
Machinery Return		
-Euro	0.00	10.17

35. Segment Reporting:

The company has identified products wise and unit wise segments i.e. Sugar, Co-generation, Distillery, Vinegar & IML at factory site, respectively of Products & Unit based on return and risk .Hence, the same becomes the reportable segments for the Company. Accordingly, the Company has above operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are made. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

36. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

A. *Credit Risk:*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Trade and Other Receivables -The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented.

Financial assets that are neither past due nor impaired

None of the Company"s cash equivalents, including term deposits were past due or impaired for the periods presented.

The Company"s credit period for customers generally ranges from 30 - 90 days.

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B.*Market Risks:*

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies

C. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

37. Capital Management

The Company"s objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(Rs. In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt	37,043.55	48601.96
Less: Cash and cash equivalents	1,226.70	4837.22
Net Debt	**35816.85**	**43764.74**
Equity Share Capital	3755.60	3755.60
Other Equity	24503.25	18844.93
Total Equity Attributable to Owners	**28258.55**	**22600.53**
Net Debt to Equity Ratio	**1.26 : 1**	**1.94 : 1**

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38. Gratuity

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service up to a maximum of ₹10 Lakhs.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Future Salary rise	7.00%	7.00%
Discount rate	7.25%	7.00%
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate	5%	5%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards

The components of gratuity cost recognised in the statement of profit and loss consist of the following:

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current Service Cost	31.03	29.88
Interest cost	20.90	14.56
Gratuity cost recognised in statement of profit and loss	**51.93**	**44.44**

Details of the employee benefits obligations and plan assets are provided below:

(Rs. In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	306.25	288.25
Fair value of plan assets	-	-
Net defined benefit liability recognized	**306.25**	**288.25**

Details of changes in the present value of defined benefit obligations are as follows:

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligations at the beginning of the year	288.25	208.02
Current service cost	31.03	29.88
Interest Cost	20.90	14.56
Remeasurement - Actuarial (gain)/loss on obligation	(17.84)	35.78
Benefits paid during the year	**(16.09)**	-
Defined benefit obligations at the end of the period/ year	**306.25**	**288.25**

However the company has not invested the Gratuity provision made in any manner prescribed under Payment of Gratuity Act, 1972.

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Additioal Disclosures to Notes to Financial Statements

39. Accounting for Goods & Service Tax (GST):

(a) The GST paid on purchase of Raw-material has been treated as cost of stock and cost of Raw-materials.

(b) The GST Input Tax Credit (ITC) benefit attributable to acquisition & construction of fixed Assets (other than civil works) is netted against the cost of fixed Assets in accordance with guidance note issued by ICAI and no depreciation is claimed on that part of Assets.

(c) GST Input Tax Credit (ITC) benefit attributable to purchase of inputs has been reduced from Manufacturing expeses.

During the year the Company has availed the GST Credit and utilized as under. **(In Rs.)**

GST CREDIT		Op. Balance (Dr)	Credit	Debit	Cl. Balance (Dr)
1	CGST Credit	25,62,917.00	2,20,05,730.00	22714136.00	3271323.00 Dr
2	IGST Credit	23,30,674.00	7,07,25,892.00	74501322.90	6106104.90 Dr
3	SGST Credit	25,62,917.00	2,36,56,116.00	22714136.00	1620937.00 Dr
Total GST Credit		**44,99,875.00**	**11,99,29,594.90**	**11,63,87,738.00**	**1,09,98,364.90**

40. Secured Loans:

As on 31.03.2022, the Term Loan under SOFT Loan Scheme outstanding as under
1.The B D C C Bank Ltd, Main Branch Belagavi Rs.767.50 Lakhs

As on 31.03.2022, the Term Loan For Sugar Exp outstanding as under

1. The B D C C Bank Ltd, Main Branch Belagavi Rs.1499.95 Lakhs

As on 31.03.2022, the Term Loan For Co gen Hypothication outstanding as under

1. The B D C C Bank Ltd, Main Branch Belagavi Rs.750.00 Lakhs
2. The B D C C Bank Ltd, Main Branch Belagavi Rs.875.00 Lakhs

As on 31.03.2022, the Term Loan For Distillery Expanstion outstanding as under
1. The B D C C Bank Ltd, Main Branch Belagavi Rs.2025.00 Lakhs

As on 31.03.2022, the Bank of India GECL Loan outstanding as under
1. The Bank of India, ShahapurBranch,Belagavi Rs.4349.76 Lakhs

The State Government of Karnataka vide its order CI.118,SPI.2021, Bengaluru Dated:04.06.2021 has agreed for Conversion of Purchase tax payable as'Interest free loan on conversion of Purchase tax payable' and repayable in 10 years beginning from the year 2021. Balance as on 31.03.2022 is Rs.2493.35 Lakhs.

The Working Capital Loan in the form of Cash Credit from Bank of India & State Bank of India Cash Credit was secured by pledge of Sugar. The Loan outstanding as on 31.03.2022 is as under.

1. Bank of India, Shahapur Branch, Belagavi Rs. 8483.72 Lakhs
2. State Bank of India, SME Branch, Belagavi Rs. 6509.27 Lakhs

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The Working Capital Loan in the form of Cash Credit Hypothication from Bank of India was secured by pledge of Other Stocks. The Loan outstanding as on 31.03.2022 is as under.

1. Bank of India, Shahapur Branch, Belagavi Rs.1255.24 Lakhs

The Term Hypothecation Loan Details:

Sl.No	Particulars	Rs.in Lakhs	Bank Name
1	Hero HF Delux	0.16	Bank of India
2	Bolero ZLX	6.65	SBI Belagavi
3	Carvinal	27.94	SBI Belagavi

The Term Hypothecation Loan is secured by respective Hypothecation of Vehicles.
The Term Loan Installments due during next 12 months have been included under Other Current Liabilities.

41. Auditors Remuneration:

(In Rs.)

Sl. No.	Particulars	2021-22	2020-21
1	Statutory Audit Fees	5,00,000.00	5,00,000.00
2	For Other Matters	2,00,000.00	2,00,000.00

The above Remuneration is exclusive of GST.

42. i) Distillery Unit:

No.	Particulars	Unit	2021-22	2020-21
a)	Licensed Capacity Rectified Spirit	Ltrs	1,00,000	1,00,000
b)	Installed Capacity Rectified Spirit	Ltrs	1,00,000	1,00,000
c)	Licensed Capacity Neutral Spirit	Ltrs	50,000	50,000
d)	Installed Capacity Neutral Spirit	Ltrs	50,000	50,000
e)	Licensed Capacity Ethanol	Ltrs	1,00,000	1,00,000
f)	Installed Capacity Ethanol	Ltrs	1,00,000	1,00,000

ii) Co-generation Unit:

No.	Particulars	Unit	2021-22	2020-21
a)	Licensed Capacity Electricity	MW	36.4	36.4
b)	Installed Capacity Electricity	MW	36.4	36.4

iii) Sugar Unit:

No.	Particulars	Unit	2021-22	2020-21
a)	Licensed Capacity Sugar Cane	MT	11000	11000
b)	Installed Capacity Sugar Cane	MT	11000	11000

iv) IML Unit:

No.	Particulars	Unit	2021-22	2020-21
a)	Licensed IML Bottling	CB	5,000	5,000
b)	Installed IML Bottling	CB	5,000	5,000

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v) Natural Alcoholic Vinegar:

No.	Particulars	Unit	2021-22	2020-21
a)	Licensed	Ltrs	75,000	75,000
b)	Installed	Ltrs	75,000	75,000

Note: *The Installed capacity is certified by a Director and being a technical matter same is accepted by the Auditors without verification.*

43. Production:

Particulars	Unit	2021-22 Qty	2020-21 Qty
Distillery Unit			
Rectified Spirit	KL	370.60	280.75
Extra Nautral Spirit	KL	130.38	831.25
M. G. Spirit	KL	19.79	56.15
Ethanol(Syrup)	KL	11,705.56	7,512.09
Ethanol (B Heavy)	KL	13,622.95	675.58
M G Spirit (B Heavy)	KL	9.02	31.09
Rectified Spirit (B Heavy)	KL	1,412.70	638.31
Rectified Spirit (Syrup)	KL	298.61	0.00
Co-gen Unit			
Electricity	KWh	9,17,49,000	8,80,49,800
Sugar Unit			
Sugar	Qtls	9,27,000.00	7,93,200.00
Molasses (B Heavy)	MT	64,300.00	52,770.60
Bagasse	MT	3,11,120.00	2,57,705.00
Compost	MT	12,578.00	10604.00
Syrup	MT	38,800.44	28,688.28
Vinegar Unit			
Natural Alcoholic Vinegar	Ltrs	1,37,79,000.00	86,52,000.00

44. Turnover

Particulars	Unit	2021-22 Qty	2021-22 Value in Lakhs	2020-21 Qty	2020-21 Value in Lakhs
Distillery Unit					
Rectified Spirit	KL			--	--
Extra Natural Spirit	KL	39.81	21.69	1450.49	812.75
Ethanol (Syrup)	KL	11,467.00	7,256.42	7488.00	4691.23
Ethanol (B Heavy)	KL	13,435.00	7,764.43	617.00	355.45
Liquid Carbon Di Oxide	KG	4,12,860.00	9.49	--	--
Co-Gen Unit					
Electricity	KWh	5,14,12,850	2,480.75	5,66,12,250	2,678.80
Boiler Ash	MT	--	14.02	--	10.98
Sugar Unit					
Sugar	QTLS	8,28,756.00	26,842.12	9,40,725.00	29,800.92
Scrap	-	--	133.26	--	147.14
Compost	Bags	2,24,352	302.36	1,28,571	155.37
Compost	MT	0.00	0.00	959.50	22.85
Mollasses	MT	0.00	0.00	23,714.11	2,377.41
Bagasse	MT	8,096.89	121.45	4,956.82	74.35
Vinegar Unit					
Natural Alcoholic Vinegar	Ltrs	1,35,74,554.00	1,929.48	95,38,846.00	1,319.30
Total	-		**46,742.25**		**42,446.56**

GOJANUR & CO. Chartered Accountants M.No. 070227 FRN No. 003415 SHIVAMOGGA

VISHWARAJ SUGAR INDUSTRIES LIMITED

45. Consumption of Raw Materials:

Particulars	Unit	2021-22		2020-21	
		Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Molasses	MT	0.00	0.00	104.16	10.42
Molasses (B Heavy)	MT	47,531.96	6416.81	4,476.46	559.56
Chemicals	-	--	241.39	--	102.84
R.S. (Captive)	Ltrs	141321.30	65.95	8,59,502.90	403.96
M G Spirit	Ltrs	415304.80	145.35	2,42,319.80	84.81
M G Spirit (B Heavy)	Ltrs	9019.9	3.16	31,856.60	11.15
Syrup	MT	38098.28	5339.03	24,013.13	3,197.43
Co-generation Unit					
Bagasse	MT	243109	4254.40	2,34,929.54	3,523.94
Coal including Distillery	MT	12673.38	893.43	6,747.94	302.10
Chemicals	-	--	105.38	--	77.22
Sugar Unit					
Sugar Cane	MT	11,01,936.28	37759.57	9,08,954.57	29,492.45
Chemicals	-	--	602.04	--	402.73
Vinegar Unit					
Chemicals	-	--	38.27	--	12.60
R S Consumption	Ltrs	16,75,000.00	787.25	11,00,000.00	517.00

46. Opening Stock:

Particulars	Unit	2021-22		2020-21	
		Qty	Value (in Lakhs)	Qty	Value (in lakhs)
Distillery Unit					
Rectified Spirit	Ltrs	1,64,568.50	77.35	2,05,945.30	96.79
Extra Neutral Spirit	Ltrs	56,965.10	31.90	6,77,003.70	338.50
M G Spirit	Ltrs	1,33,637.40	46.77	0.00	0.00
Ethanol (Syrup)	Ltrs	21,422.30	13.42	0.00	0.00
Ethanol (B Heavy)	Ltrs	58,432.70	33.66	0.00	0.00
Co-generation Unit					
Coal	MT	00.00	00.00	2,218.50	119.00
Bagasse	MT	39,441.00	591.62	21,622.36	432.44
Sugar Unit					
Sugar	Qtls	6,17,421	19,090.06	7,64,946	23,713.32
Molasses (S)	MT	48,294.14	6,036.77	23,818.27	2381.83
Compost	MT	27,043.89	1,081.76	23,827.94	953.11
Syrup	MT	4,675.15	622.51	0.00	0.00
Vinegar Unit					
Vinegar	Ltrs	6,62,380.00	92.73	16,97,226.00	229.13
Total			**27,718.54**		**25,330.87**

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47. **Closing Stock:**

Particulars	Unit	2021-22		2020-21	
		Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Rectified Spirit	Ltrs	0.00	0.00	1,64,568.50	77.35
Rectified Spirit (B Heavy)	Ltrs	2,33,269.20	109.64	0.00	0.00
Rectified Spirit (Syrup)	Ltrs	1,02,361.40	48.11	0.00	0.00
Extra Neutral Spirit	Ltrs	1,47,495.80	82.60	56,965.10	31.90
M G Spirit	Ltrs	8,240.70	2.88	1,33,637.40	46.77
Ethanol (Syrup)	Ltrs	2,56,787.50	162.93	21,422.30	13.42
Ethanol (B Heavy)	Ltrs	2,44,584.50	141.42	58,432.70	33.66
Co-generation Unit					
Bagasse	MT	99,355.11	1,738.71	39,441.00	591.62
Sugar Unit					
Sugar	Qtls	7,15,665	23,012.70	6,17,421	19,090.06
Molasses (B Heavy)	MT	65,062.18	8,783.39	48,294.14	6,036.77
Compost	MT	28,404.29	568.08	27,043.89	1,081.76
Syrup	MT	5,377.31	753.57	4,675.15	622.51
Vinegar Unit					
Vinegar	Ltrs	6,73,826.00	94.34	6,62,380.00	92.73
Rectified Spirit	Ltrs	3,22,536.00	151.59		
Total			**35,649.97**		**27,718.54**

48. **CIF Value of Imports and Export in Foreign Currencies Paid:**

CIF Value of Import	Currency	2021-22	2020-21
Vinegar Chemical Charges	EURO	28298.00	0.00
Kasurth Certification Plant Fees	USD	5375.00	5115.00
Vinegar Machinery Parts	EURO	73,770.40	0.00

CIF Value of Export	Currency	2021-22	2020-21
Denature Spirit Sales Advance Amount	USD	0.00	0.00
Vinegar Machinery Re-export	EURO	0.00	12660.00
Denature Spirit Sales Advance Amount Return	USD	0.00	1,03,430.00

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49. Provisions and Contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

Sl.No	Particulars	Amount in Lakhs
1	**Central Excise, Belgaum Show Cause Notice**	87.85
2	**Central Excise, Bangalore (Appeals)**	974.43
3	**High Court, Karnataka, Appeal for Sugar Cess**	252.80
4	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (IOCL)**	55.45
5	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (HPCL)**	35.75
6	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (IOCL)**	55.02
7	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (BPCL)**	44.53
8	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (IOCL)**	16.06
9	**Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (HPCL)**	11.55
10	**Export Duty (EPCG Scheme) (IML Packing Machinery)**	289.99
	Total	**1823.44**

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50. Trade Receivable Ageing schedule: for the year 2021-22

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,930.82	30.67	160.04	72.07	754.23	3,947.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivable Ageing schedule: for the year 2020-21

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,023.34	46.52	590.97	1,820.98	764.41	4,246.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

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VISHWARAJ SUGAR INDUSTRIES LIMITED

51. **Trade Payable Ageing schedule: for the year 2021-22**

(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii.Others	8,838.15	7.04	73.85	405.71	9,324.75
iii.Disputed dues-MSME	-	-	-	-	-
iv.Disputed dues-Others	-	-	-	-	-
Total	**8,838.15**	**7.04**	**73.85**	**405.71**	**9,324.75**

Trade Payable Ageing schedule: for the year 2020-21

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii.Others	6,154.14	128.72	9.06	382.56	6,674.48
iii.Disputed dues-MSME	-	-	-	-	-
iv.Disputed dues-Others	-	-	-	-	-
Total	6,154.14	128.72	9.06	382.56	6,674.48

52. **Title Deeds of Immovable Properties of the company not held in the name of the Company as on 31-03-2022:**

Reason: ***Properties are being held by way of General Power of Attorney in the name of Shri. Mallikarjun Kadayya Pujar, present CAO of the Company held on behalf of the Company***

Relevant line item in the Balance sheet	Description of item of Property	Gross carrying value	Title Deeds held in the name of:	Whether title deed holder is promoter /Director /Relative of Promoter of Director or Employee of Promoter / Director	Property held since which date
Land	204/2A	3	Shri Jotiba Bharmanna More	NO	30.12.2016

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Land	206/A	5	1.Shri Narayan Balkrishna Sutar	NO	30.12.2016
			2.Shri Chudappa Balkrishna Sutar	NO	
Land	206/B	6	1.Smt.Savitri W/O Yallappa Pawashe	NO	14.03.2017
			2.Smt.Janabai W/O Dhankalu Gurav	NO	
			3.Shri Yallappa S/O Dhakalu Gurav	NO	
Land	207/1	8.1	1.Smt. Renuka W/O Late Tippanna Talwar	NO	28.12.2018
			2. Shri. Nagaraj S/O. Tippanna Talwar	NO	
Land	206/1	7.43	Shri. Rajaram Balappa Chigare	NO	28.12.2018
Land	207/1	8.1	Shri. Monappa Ganesh Talwar	NO	28.12.2018

GOJANUR & CO. Chartered Accountants M.No. 209227 FRN No. 009415 SHIVAMOGGA

VISHWARAJ SUGAR INDUSTRIES LIMITED

Land	207/1	8.1	1.Smt. Anandi W/O. Late Dudappa Talwar	NO	28.12.2018
			2. Shri. Pundalik S/O. Dudappa Talwar Talwar	NO	
			3.Smt. Mayuri W/O. Pundalik Talwar	NO	
			4.Shri. Bharat S/O. Dudappa Talwar	NO	
Land	206/A	6.75	1.Shri Shanlkar Arjun Gurav	NO	28.12.2018
			2.Shri Bharma Arjun Gurav	NO	
			3.Devappa Arjun Gurav	NO	
Land	206/A	2.7	Shri. Devappa Kumanna Gurav	NO	28.12.2018
Land	207/1	8.1	1. Smt. Laxmi W/O. Late Yavagappa Talwar	NO	28.12.2018
			2. Shri. Pandurang S/O. Yavagappa Talwar	NO	

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VISHWARAJ SUGAR INDUSTRIES LIMITED

			3. Smt. Droupada W/O. Pandurang Talwar	NO	
			4. Shri. Balu S/O. Yavagappa Talwar	NO	
Land	206/A	7.43	Shri. Maruti Yallappa Humbarwadi	NO	28.12.2018
Land	206/A	2.93	Shri. Raghunath Krishna Hurakadli	NO	28.12.2018
Land	206/A	10.13	1.Shri. Jayram Kallappa Patil	NO	28.12.2018
			2.Smt. Madhu Jayram Patil	NO	
			3.Smt. Sushma Madhu Patil	NO	
			4. Shri. Pundalik Jayram Patil	NO	
Land	206/B	5.85	Smt. Yeshodha Parashuram Gawade	NO	28.12.2018

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VISHWARAJ SUGAR INDUSTRIES LIMITED

Land	206/A	2.93	Shri. Ravalu Shankar Motankar	NO	28.12.2018
Land	206/A	9	Shri. Narayan Krishna Yallurkar	NO	28.12.2018
Land	207/1	8.1	Shri. Babu Basawant Talwar	NO	28.12.2018
Land	206/A	9	Shri. Babu Somanna Motankar	NO	28.12.2018
Land	206/A	3.75	Shri.Rajaram Vasu Golyalkar	NO	09/07/2021
Land	206/A	7.5	Shri. Mallppa Vasu Golyalkar	NO	09/07/2021
Land	206/A	3.75	Shri.Govind Vasu Golyalkar	NO	09/07/2021
Land	206/A	3.75	Shri. Nago Somanna Motankar	NO	09/07/2021
Land	206/A	3.75	Shri.Rama Yallappa Gavali	NO	09/07/2021

GOJANUR & CO., M.No. 020227 FRN 003415 SHIVAMOGGA Chartered Accountants

VISHWARAJ SUGAR INDUSTRIES LIMITED

Land	206/A	7.5	Shri.Gangaram Tanji Gavali	NO	09/07/2021
Land	206/A	6	Shri. Jayram Kumanna Gurav	NO	09/07/2021
Land	206/A	3.75	Shri.Marutirao @Maruti Somanna @Somanath Motankar	NO	09/07/2021
Land	206/A	3.83	1.Smt. Anandabai W/O. Late Narayan Sutar	NO	09/07/2021
			2. Shri. Pandu S/O Narayan Sutar	NO	
			3. Smt. Pooja W/O Pandu Sutar	NO	
			4. Shri Vishwanath S/O. Narayan Sutar	NO	
			5. Smt. Laxmi W/O. Vishwanath Sutar	NO	

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VISHWARAJ SUGAR INDUSTRIES LIMITED

			6. Smt. Vaishali W/O Suresh Kammar	NO	
Land	206/A	1.5	1.Shri.Gangaram S/O. Late Kallappa Patil	NO	12/07/2021
			2. Smt. Renuka W/O. Gangaram Patil	NO	
Land	206/A	2.03	Shri. Yallappa Nagappa Gurav	NO	12/07/2021
Land	206/A	1.5	1.Shri.Parashram Gavadu Patil	NO	12/07/2021
			2. Smt. Malu W/O. Parashuram Patil	NO	
			3. Smt. Deepa W/O. Dinesh Bilagoji	NO	
Land	206/A	1.73	Shri. Dashrath Yallappa Chigare	NO	12/07/2021
Land	206/A	2.63	Shri. Khirappa Devappa Sutar	NO	12/07/2021

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VISHWARAJ SUGAR INDUSTRIES LIMITED

Land	206/A	2.55	Smt.Laxmi W/O.Vasant Sutar	NO	12/07/2021
			Shri. Devendra S/O.Late Vasant Sutar	NO	
			Smt. Rekha W/O. Devendra Sutar	NO	
Land	206/A	2.4	Shri.Madhu @ Madhukar Dattu Sutar	NO	12/07/2021
Land	206/A	2.4	Shri.Ramchandra Devappa Sutar	NO	12/07/2021
Land	206/A	1.8	1.Shri.Jayaram S/O.Late Kallappa Patil	NO	12/07/2021
			2.Shri Baban S/O Jayaram Patil	NO	
			3. Rekha W/O. Baban Patil	NO	
Land	206/A	1.88	1. Smt. Parvati W/O Babu Sutar	NO	12/07/2021
			2. Smt. Punam W/O Parasuram Sutar	NO	
			3. Shri. Parthamesh S/O Parasuram Sutar	NO	

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VISHWARAJ SUGAR INDUSTRIES LIMITED

Land	206/A	10.25	Shri.Basavanni Irappa Chigare	NO	24/09/2021
Land	204*/1	10.55	Shri.Prabhakar Arjun Jadav	NO	27/10/2021
			Shri. Balakrishna Arjun Jadhav	NO	
Land	206/A	11.65	1.Shri. Kallappa Shivappa Patil	NO	30/11/2021
			2. Yallappa S/O Gavadu Patil	NO	
Land	206/A	10.25	Shri. Somanath Shivaji Sutar	NO	30/11/2021
Land	206/A	2.03	1. Shri Ravalu Shankar Motankar	NO	14/02/2022
			2. Smt.Deepa W/O Ravalu Motankar	NO	
			3.Mr. Rutik D/O Ravalu Montankar	NO	

GOJANUR & CO., M No [illegible]227 FRN [illegible]415 SHIVAMOGGA Chartered Accountants

VISHWARAJ SUGAR INDUSTRIES LIMITED

			4. Master Sandesh S/O Ravalu Montankar	NO	
Land	207/7	1.5	Shri. Yallappa Nagappa Gurav	NO	15/02/2022
Land	206/A	1.95	Shri. Gavadu Kallappa Patil	NO	18/02/2022
Land	206/A	6.06	Shri Maruti Somanna Yallurkar	NO	25/02/2022
Land	204*/1	12.56	1.Smt. Shobha Dashrut Biraje	NO	25/02/2022
			2. Shri Prabhakar Dasharat Biraje	NO	
Land	206*/A	6.07	1.Shri. Mallavva W/O Dhakalu Hurakadli	NO	28/02/2022
			2. Shri Monappa S/O Dhakalu Hurakadli	NO	
			3. Shri Laxman S/O Dhakalu Hurakadli	NO	

GOJANUR & CO., Chartered Accountants SHIVAMOGGA

			4.Shri. Ramappa S/O Shakalu Hurakadli	NO	
Land	206/A	6.06	Shri.Mallappa @ Yallappa Somanna Yallurkar	NO	16.03.2022

53. Balance appearing under the head Trade Receivable, Trade Payables, Loans and Advances, Secured & Unsecured Loans is subject to confirmation, adjustments if any on receipts and reconciliation of such accounts.

For, M/s Gojanur& Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335

GOJANUR & CO. Chartered Accountants

(CA. G. M. ChannappaSetty)
Proprietor
M. No: 020227
UDIN: 22020227AKYWOO7555

Date-09th, May 2022
Place: Shivamogga

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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2022, and March 31, 2021. For further details please refer to the chapter titled "*Financial Statements*" beginning on page 84 of this Draft Letter of Offer.

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Earnings Per Share (EPS) (Basic and Diluted) (In Rs.)	3.21	0.42
Return on Net Worth (%)	4.68	0.04
Net Asset Value per Share (Rs.)	15.05	12.04
EBIDTA (Rs. In Lakhs)	9,344.88	6,201.99
EBIDTA (%)	19.94	14.54

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

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year.
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year.
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year.
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Audited Financial Statements

STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Particulars	Pre-Issue at March 31, 2022	Post Issue
Borrowings		
Short Term borrowings (A)	28,074.25	[●]
Long Term Borrowings (B)	8,969.30	[●]
Total Borrowings (C) = (A)+(B)	37,043.55	[●]
Shareholders' Fund (Equity)		
Equity Share Capital (D)	3,755.60	[●]
Other Equity (E)	24,503.25	[●]
Total Equity (F) = (E) + (D)	28,258.85	[●]
Long Term Borrowings/Equity	0.32	[●]
Total Borrowings/Equity	1.31	[●]

Note: The figures disclosed above are based on the audited books of accounts of the Company as on March 31, 2022.

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer, to our knowledge, no circumstances have arisen since December 31, 2022, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the chapter titled "Financial Information" beginning on page number 84 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" and "Forward Looking Statements" beginning on page number 19 and 16 of this Draft Letter of Offer respectively, which discuss a number of factorsand contingencies that could affect our financial condition and results of operations.*
Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. 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 Fiscal 2022, Fiscal 2021 and Fiscal 2020 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 number 84 of this Draft Letter of Offer.

OVERVIEW OF OUR BUSINESS

We are an integrated sugar and other allied products manufacturing company operating from Belgaum District in the State of Karnataka which is designated as one of the "High Recovery Zones" for sugar production by Government of India. We operate a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar we also manufacture other allied products like Rectified Spirits, Extra-Neutral Spirits, Vinegar, Compost, Carbon dioxide (CO2), etc. and are further engaged in the generation of Power for captive consumption as well as external sale. Our business can hence be broken up into four main segments namely Sugar, Co-Generation, Distillery, and Vinegar.

In the year 2001, we commenced operations of manufacture of Distillery products such as Ethanol, Rectified Spirit and Extra Neutral Spirit. In the year 2006, our Company implemented backward integration and began commercial operations for Sugar manufacture from sugarcane, along with Co-Generation capabilities. Currently our integrated unit processes sugarcanes to produce sugar and the by-products are used to generate electricity for captive use and commercial sale, manufacture rectified spirit, ENA,, Vinegar, Press-mud and Compost. Over the years, we have expanded the production / manufacturing capacities of all our products.

During the production of sugar; bagasse and molasses are produced which are the basic raw materials for power generation and Distillery (Spirit) manufacturing unit, respectively. The sugar unit of our integrated production facility first crushes sugarcane to extract juice and processes the juice to produce sugar. The sugar manufactured is then graded and packed based on the size of crystals and quality of the sugarcane. During the last fiscal year we produced 92,700 tonnes of sugar. After extracting the juice from sugarcane, the residual fibre leftover called Bagasse is used as a fuel for power generation. The molasses used in the process of sugar production is fermented and distilled to manufacture various spirits (Rectified Spirit and Ethanol) in the distillery unit of our integrated production and manufacturing facility.

Bagasse is the fibrous residual matter used as a bio-fuel to generate steam in high pressure boilers for turning turbines to generate electricity. We obtain enough Bagasse during the crushing seasons, such that the electricity produced is used not just for captive consumption, but also for sale. It is possible that during the year we may produce surplus energy and supply the surplus energy to other Companies /Industries based on demand.

Molasses is the viscous product resultant of refining sugarcane juice. Molasses, which forms the primary raw material for the distillery unit, is fermented, distilled and made to undergo various processes for making rectified spirit and extra neutral spirit. Rectified Spirit is processed to manufacture Industrial Vinegar. During the last financial year, we manufactured, 13779.00 KL of Industrial Vinegar, 2081.93 KL of Rectified Spirit and 25328.51 KL of Ethanol.

Further the waste water extracted from Distillery unit is called as spentwash which is further mixed with mud to form Compost / Organic Manure, which is supplied back to farmers for cultivation of their fields which ensures higher yields. Further the company has set up a CO2 plant as well. Thus, we believe that nothing is wasted, as every single output whether residue or by-product is utilised.

Our revenues from operations for Fiscals 2022, 2021 and 2020 were ₹46,875.10 lacs, ₹42,646.38 lacs and ₹ 37,673.60 lacs, respectively.

Our EBITDA for the Fiscals 2022, 2021 and 2020 were ₹ 9,497.19 lacs, ₹ 6,263.41 lacs and ₹ 3,976.90 lacs, respectively. Our

profit after tax for Fiscals 2022, 2021 and 2020 were ₹ 6,016.04 lacs, ₹829.30 lacs and ₹ (788.06) lacs, respectively.

Our Business Strategy

Increasing operational efficiency

Our product portfolio consists of sugar and various other products manufactured by processing its residual products. Hence operational efficiency for each product is related to its previous product's efficiency and quality. We continue to invest in increasing our operational efficiency throughout the organisation. We are addressing the increase in operational output through continuous process improvement, increasing recovery rate through timely sugarcane crushing, technology development throughout the products, consistent quality and customer service. We also strive to achieve alignment of our people towards 'process improvement' through change management and upgrading of skills for latest technology and as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

Explore possibilities of geographical expansion

Our Company is currently situated in the area of Bellad Bagewadi and our Company intends to propose to explore other geographical locations within the Belgaum District. Our Company, with intent of exploring new location with significant sugarcane cultivation area and abundant sugarcane growth has acquired a land of approximately 9 acres and 12 Gunthas by way of 'Full Paid Power of Attorney'. For details of the land purchased, please see the chapter tiled "Properties – Our Business" on page no.76 of this Draft Letter of Offer. However, our Company is still at planning stage and has neither finalised any specific utilisation for the said land nor any plans have been put forth regarding the funding, capacity, products and other details.

Augment our fund based capacities in order to scale up business operations

The sugar industry is characterised by high debtors and advance payments to farmers and harvesting & transportation agents. Our customers, mainly being entities in the food, petroleum, beverages, and also government agencies, we generally offer substantial credit period to them. Further, during the crushing season, we have to make advance payments for various minor raw materials, utilities and other services so as to carry out the un-interrupted crushing. Thus, our operations are working capital intensive.

It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better negotiate with sugarcane suppliers. With the de-regulation of the sugar industry, farmers are free to sell their produce where they like and are not obligated to sell any portion of the same to us. Better liquidity will also provide us with sufficient incentives to ensure the farmers prefer us for selling their sugarcane produce in each season. Also, we invest a portion of our working capital to provide some of our farmers with high quality seeds for better crop quality. Additional working capital will enable us to offer such high-quality seeds on larger quantities and to a large farmer base. Funding this working capital requirement from the proceeds of the Fresh Issue will also enable us to save a considerable interest cost due to lower working capital borrowings. For further details regarding the working capital being raised through this Offer, please refer to chapter titled "*Objects of the Issue"* on page 40 of this Draft Letter of Offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed inthe chapter titled '*Risk Factors*' on page 19 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:

- Any adverse changes in central or state government policies;
- Flood or drought adversely affecting the supply and pricing of the sugarcane;
- Any adverse development that may affect our operations in Maharashtra;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Our ability to maintain and enhance our brand image;
- General economic and business conditions in the markets in which we operate and in the local, regional and nationaleconomies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer chapter titled *"Financial Information"* on page 84 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter titled *"Financial Information"* on page 84 of this Draft Letter of Offer there has been no change in accounting policies in last 3years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see chapter titled *"Financial Information"* on page 84 of 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 of:

Revenue from operations

Revenue from operations: Revenue from operations consists of income from the following segments:

a. Sugar Segment
b. Power
c. Ethanol, Spirit and allied Products (Distillery Segment)
d. Vinegar
e. Other By-Products

Other Income

Other income includes dividend income, rental income, profits from sale of income, insurance claims and insurance income.

Expenses

Expenses consists of cost of material consumed, changes in inventories, other manufacturing expenses, employee benefit expenses, finance costs, depreciation and other expenses. For details, see chapter titled *"Financial Statement"* on page 84 of this Draft Letter of Offer.

Cost of Material Consumed: Cost of raw materials includes purchase of sugarcane, cane cess and tax, harvesting and transport costs, purchase of raw sugar, consumption of power and fuel, purchase of stores, spares and chemicals.

Changes in inventories: Consists of changes in raw materials, work-in-progress and finished products. Raw materials consist of coal, molasses and bagasse. Finished goods consist of sugar, vinegar, and other by-products.

Other manufacturing expenses: Other manufacturing expenses consist of Processing, transportation and other charges and

Repairs to Plant and Machinery.

Employee benefit expenses: Employee benefit expenses comprises of salaries and wages paid to employees and workers, bonuses, contribution to provident and other funds, staff welfare expenses and director's remuneration.

Finance Cost: Finance cost includes interest expenses and other borrowing costs such as commission and charges by banks, loan processing charges, Letter of Credit charges and Bank rating charges.

Depreciation and Amortization expenses: Depreciation and amortization expenses comprises of depreciation on tangible assets and amortization of intangible assets.

Other expenses: Other expenses include rent, advertisement expenses, insurance, travelling expenses, vehicle running and maintenance, printing and stationery, communication expenses, legal, professional and consultancy charges, license fees and other miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

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)

Particular	2021-22	Percentage of total income (%)	2020-21	Percentage of total income (%)	2019-20	Percentage of total income (%)
INCOME						
Revenue from Operations	46,875.10	99.68%	42,646.38	99.86%	37,673.60	99.63%
Other Income	152.31	0.32%	61.41	0.14%	141.22	0.37%
Total Income (A)	**47,027.41**	**100.00%**	**42,707.79**	**100.00%**	**37,814.82**	**100.00%**
EXPENDITURE						
Cost of materials consumed	39,153.56	83.26%	31,119.71	72.87%	24,466.14	57.29%
Changes in inventories	-7,931.42	-16.87%	545.60	1.28%	3,615.32	8.47%
Other Manufacturing expenses	3,563.11	7.58%	1,968.77	4.61%	2,416.32	5.66%
Employee benefit expenses	1,834.86	3.90%	1,384.09	3.24%	1,254.70	2.94%
Finance costs	3,227.91	6.86%	3,565.72	8.35%	4,173.89	9.77%
Depreciation and amortisation expense	1,551.25	3.30%	1,474.74	3.45%	1,457.16	3.41%
Other Expenses	910.11	1.94%	1,426.21	3.34%	2,085.44	4.88%
Total Expenses (B)	**42,309.38**	**89.97%**	**41,484.84**	**97.14%**	**39,468.97**	**92.42%**
Profit before extraordinary items and tax	**4,718.03**	**10.03%**	**1,222.95**	**2.86%**	**-1,654.15**	**-3.87%**
Prior period items (Net)	-	0.00%	-	0.00%	-	0.00%
Profit before exceptional, extraordinary items and tax (A-B)	**4,718.03**	**10.03%**	**1,222.95**	**2.86%**	**-1,654.15**	**-3.87%**
Exceptional items	-	0.00%	-	0.00%	-	0.00%
Profit before extraordinary items and tax	**4,718.03**	**10.03%**	**1,222.95**	**2.86%**	**-1,654.15**	**-3.87%**
Extraordinary items (Share of net profit from joint venture accounted for using equity method)	-	0.00%	-	0.00%	-	0.00%
Profit before tax	**4,718.03**	**10.03%**	**1,222.95**	**2.86%**	**-1,654.15**	**-3.87%**
Share of net profit from joint venture accounted for using equity method	-	0.00%	-	0.00%	-	0.00%
Profit before tax	**4,718.03**	**10.03%**	**1,222.95**	**2.86%**	**-1,654.15**	**-3.87%**

Tax expense :						
(i) Current tax	347.44	0.74%	211.37	0.49%	-	0.00%
(ii) Deferred tax	-1,434.08	-3.05%	182.28	0.43%	-866.09	-2.03%
(iii) Earlier Year tax expenses	-211.37	-0.45%	-	0.00%	-	0.00%
(iv)(MAT credit lapsed written off	-	0.00%	-	0.00%	-	0.00%
Total Tax Expense	**-1,298.01**	**-2.76%**	**393.65**	**0.92%**	**-866.09**	**-2.03%**
Profit for the year (D-E)	**6,016.04**	**12.79%**	**829.30**	**1.94%**	**-788.06**	**-1.85%**
Share of Profit from Associates	-	0.00%	-	0.00%	-	0.00%
Loss on Disposal of Associates	-	0.00%	-	0.00%	-	0.00%
Profit for the year after share of Profit from Associates	**6,016.04**	**12.79%**	**829.30**	**1.94%**	**-788.06**	**-1.85%**
Other Comprehensive Income						
Items that will not be reclassified to profit or loss Remeasurement gains/losses on defined benefits obligations	17.84	0.04%	-35.79	-0.08%	20.95	0.05%
Fair valuation gain/loss on defined obligations	-	0.00%	-	0.00%	-	0.00%
Tax effect on above	-	0.00%	-	0.00%	-	0.00%
Total comprehensive income for the year	17.84	0.04%	-35.79	-0.08%	20.95	0.05%
Total Comprehensive Income	**6,033.88**	**12.83%**	**793.51**	**1.86%**	**-767.11**	**-1.80%**

Comparison of Historical Results of Operations Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for the Fiscal 2022 was ₹ 47,027.41 lacs as compared to ₹42,707.79 lacs for the Fiscal 2021, representing an increase of 10.11%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2022 was ₹46,875.10 lacs as compared to ₹ 42,646.38 lacs for the Fiscal 2021, representing an increase of 9.92%. The increase is mainly attributable to good cane harvesting leading to better sugarcane crushing and also due to a marginal increase in sugar prices.

Other income

Other income for the Fiscal 2022 was ₹ 152.31 lacs as compared to ₹ 61.41 lacs for the Fiscal 2021, representing an increase of 148.02%. The increase in other income was primarily due to increase in non-recurring miscellaneous income.

Expenses

Our total expenditure for the Fiscal 2022 was ₹ 42,309.38 lacs as compared to ₹ 41,484.84 lacs for the Fiscal 2021, representing anincrease of 1.99%.

Cost of Material Consumed

Cost of material consumed had increased by 25.82% from ₹ 31,119.71 lakhs in Fiscal 2021 to ₹39,153.56 lakhs in Fiscal 2022. This increase is due to increase in Minimum Support price and increase in cultivation of sugarcane, resulting in increase in cost of material consumed.

Changes in inventories

Changes in Inventories had a variance by (1553.71)% from ₹ 545.60 lakhs in Fiscal 2021 to ₹(7,931.42) lakhs in the Fiscal 2022.

Other Manufacturing Expenses

Other Manufacturing Expenses have increased by 80.98% from ₹ 1,968.77 lakhs in Fiscal 2021 to ₹ 3,563.11 lakhs in the Fiscal 2022, primarily on account of increase in processing & transportation charges and also higher power & fuel cost.

Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹ 1,834.86 lacs as compared to ₹1,384.09 lacs for the Fiscal 2021, representing

an increase of 32.57%. This was due to decrease in salaries, wages and bonus.

Finance cost

Finance cost for the Fiscal 2022 was ₹3,227.91 lacs as compared to ₹ 3,565.72 lacs for the Fiscal 2021, representing an decrease of (9.47%). The decrease in due to decrease in interest outgo on loans of financials institutions and somewhere decrease in rate of interest.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2022 was ₹ 1,551.25 lacs as compared to ₹ 1,474.74 lacs for the Fiscal 2021, representing an increase of 5.19%. The increase is general in nature.

Other expenses

Other expenses for the Fiscal 2022 was ₹ 910.11 lacs as compared to ₹ 1,426.21 lacs for the Fiscal 2021, representing a decrease of (36.19%). The decrease was mainly due to decrease in various expenses including advertisement, publicity and sale promotion expenses and insurance charges.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2022 of ₹ 4,718.03 lacs as compared to ₹ 1,222.95 lacs for the Fiscal 2021. The increase in profit/loss before tax is due to increase in business activities.

Taxation

Total tax expense for the Fiscal 2022 ₹ (1,298.01) lacs as compared to ₹ 393.65 lacs for the Fiscal 2021. The decrease was due to impact of deferred tax.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2022 of ₹ 6,016.04 lacs as compared to ₹ 829.30 lacs for the Fiscal 2021, representing an increase of 625.44%. The increase was due to increase in business activities.

Fiscal 2021 compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021 was ₹ 42,707.79 lacs as compared to ₹ 37,814.82 lacs for the Fiscal 2020, representing an increase of 12.94%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2021 was ₹42,646.38 lacs as compared to ₹ 37,673.60 lacs for the Fiscal 2020, representing an increase of 13.20%. The increase is mainly attributable to good cane harvesting leading to better sugarcane crushing and also due to a marginal increase in sugar prices.

Other income

Other income for the Fiscal 2021 was ₹ 61.41 lacs as compared to ₹ 141.22 lacs for the Fiscal 2020, representing a decrease of (56.51%). The decrease in other income was primarily due to increase in non-recurring miscellaneous income.

Expenses

Our total expenditure for the Fiscal 2021 was ₹41,484.84 lacs as compared to ₹39,468.97 lacs for the Fiscal 2020, representing an increase of 5.11%.

Cost of Material Consumed

Cost of material consumed had increased by 27.20% from ₹ 24,466.14 lakhs in Fiscal 2020 to ₹31,119.71 lakhs in Fiscal 2021. This increase is due to increase in Minimum Support price and increase in cultivation of sugarcane, resulting in increase in cost of material consumed.

Changes in inventories

Changes in Inventories had a variance by (84.91%) from ₹3,615.32 lakhs in Fiscal 2020 to ₹ 545.60 lakhs in the Fiscal 2021.

Other Manufacturing Expenses

Other Manufacturing Expenses have decreased by (18.52%) from ₹ 1,968.77 lakhs in Fiscal 2021 to ₹ 2,416.32lakhs in the Fiscal 2020, primarily on account of reduction of processing & transportation charges and also due to lower power & fuel cost, as our Company used higher captive power.

Employee benefit expenses

Employee benefit expense for the Fiscal 2021 was ₹ 1,384.09 lakhs as compared to ₹ 1,254.70 lakhs for the Fiscal 2020, representingan increase of 10.31%. This was due to decrease in salaries, wages and bonus.

Finance cost

Finance cost for the Fiscal 2021 was ₹ 3,565.72 lakhs as compared to ₹ 4,173.89 lakhs for the Fiscal 2020, representing a decrease of (14.57%). The decrease in due to decrease in interest outgo on loans of financials institutions and somewhere decrease in rate of interest.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2021 was ₹1,474.74 lakhs as compared to ₹ 1,457.16 lakhs for the Fiscal 2020, representing an increase of 1.21%. The increase is general in nature.

Other expenses

Other expenses for the Fiscal 2021 was ₹ 1,426.21 lakhs as compared to ₹2,085.44 lakhs for the Fiscal 2021, representing a decreaseof (31.61%). The decrease was mainly due to decrease in various expenses including advertisement, publicity and sale promotion expenses and insurance charges.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2021 of ₹ 1,222.95lakhs as compared to ₹(1,654.15) lakhs for the Fiscal 2020. The increase in profit/loss before tax is due to increase in business activities.

Taxation

Total tax expense for the Fiscal 2021 ₹ 393.65 lakhs as compared to ₹(866.09) lakhs for the Fiscal 2020. The increase was due to increase in profit of the Company.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2021 of ₹829.30 lakhs as compared to a loss of ₹ (788.06) lakhs for the Fiscal 2020, representing an increase of (205.23%). The increase was due to increase in business activities.

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net (loss) / profit before tax	4718.03	1222.95	(1654.15)
Net Cash Flow from/ (used in) Operating Activities (A)	3521.05	5590.00	4896.16
Net Cash Flow Used in Investing Activities (B)	(3280.72)	(852.71)	(2738.68)
Net Cash Generated from Financing Activities (C)	(3810.10)	(621.45)	(1571.84)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**(3569.77)**	**4115.83**	**585.64**
Cash and cash equivalents at the beginning of the year/period	4885.82	769.99	184.35
Cash and cash equivalents at year/ period end	**1316.05**	**4885.82**	**769.99**

Operating Activities

Net cash from operating activities for period ended March 31, 2022 was ₹3521.05 lacs as compared to the PBT of ₹ 4718.03 lacs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and

other receivable.

Net cash from operating activities for the period ended March 31, 2021 was ₹ 5590.00 lacs as compared to the PBT of ₹ 1222.95 lacs for the same period. This difference is primarily on account of interest payment, trade payables, trade receivable and other current assets.

Net cash from operating activities for period ended March 31, 2020 was ₹ 4896.16 lacs as compared to the PBT of ₹ (1654.15) lacs for the same period. This difference is primarily on account of interest payment, trade and other payables, inventories, other current assets and trade and other receivables.

Investing Activities

Net cash from investing activities for period ended March 31, 2022 was ₹ (3280.72) lacs. This was on account of purchase of property, plant & equipment (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2021 was ₹ (852.71) lacs. This was on account of purchase of property, plant & equipment (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2019 was ₹ (2738.68) lacs. This was on account of Purchase of property, plant & equipment (including capital work-in-progress and capital advances).

Financing Activities

Net cash from financing activities for period ended March 31, 2021 was ₹ (3810.10) lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash from financing activities for year ended 2021 was ₹ (621.45) lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash from financing activities for year ended 2020 was ₹ (1571.84) lacs This was on account of repayment of borrowingsand payment of finance cost.

Contingent Liabilities

The statement of contingent liabilities of our Company as are as mentioned in the table below. There is no demand of any Income Tax by the department as on date

Contingent Liabilities and Commitments

(Rs, in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Court Cases	1,315.08	1,315.08
Bank Guarantee	218.37	144.26
EPCG Export Obligation	289.99	289.99
Total	**1,823.44**	**1,749.33**

***** *In respect of the above matters, future cash outflows, in respect of contingent liabilities are determinable only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.*

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of FinancialConditions and Results of Operations*" beginning on pages 19 and 155 respectively of this Draft letter of Offer, to our

knowledge there are no known trendsor uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the chapter titled *"Risk Factors"* on page 19 of this Draft letter of Offer.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 19 and 156 respectively of this Draft letter of Offer, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled "Our Business" beginning on page 57 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e., Sugar Industry.

New Product or Business Segment

Except as disclosed in "Our Business" on page 57 of this Draft Letter of Offer we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "Risk Factors" on page 19 of this Draft Letter of Offer to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the discussion in the chapter titled "Financial Information" beginning on page 84 of this Draft Letter of Offer.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under "Our Business" and "Risk Factors" on pages 57 and 19 respectively of this Draft Letter of Offer, to our knowledge no circumstances have arisen since December 31, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability,or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company, our Directors and our Promoter are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company and/or our Promoter/Directors with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Promoters/Directors, (ii) material violations of statutory regulations by our Company and/or our Promoters/Directors, (iii) economic offences where proceedings have been initiated against our Company and/or our Promoters/Directors, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Promoters/Directors.

For the above purposes, as per the Company's Policy on determination of materiality of events framed in accordance with Regulation 30 of the SEBI Listing Regulations, the materiality threshold considered for disclosure of pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position shall be –

a. the aggregate amount involved in such individual litigation exceeds 5% of the annual turnover of the Company, as per the last audited financial statements; or

b. where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 5% of the annual turnover of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 5% of the annual turnover of the Company; or

c. litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

A. LITIGATIONS INVOLVING OUR COMPANY

I. Litigations filed against our Company

a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

Tax Proceedings

The following tax proceedings are pending against the Company:

(i) Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with "open" or "pending" status. However, the amount has not been mentioned and cannot be crystallized:

Assessment Year	Proceeding Name	Proceeding Status
2014-15	Issue Letter	Open
2015-16	Issue Letter	Open
2016-17	Issue Letter	Open
2016-17	Issue Letter	Open
2017-18	Issue Letter	Open
2018-19	Defective Notice under section139(9)	Pending
2018-19	Adjustment under Section 143(1)(a)	Pending

(ii) Tax Deducted at Source (TDS)

Sr. No	Financial Year	Total Default (Rs. In Lakhs)
1.	Prior Year	0.31
Total		0.31

b. Matters involving issues of moral turpitude or criminal liability on the part of our Company.

- A petition under Section 166 of the Motor Vehicles Act, 1988, bearing MVC No. 2626/2019 was filed against our Company and two other respondents, seeking compensation on account of the death of Mallikarjun s/o Tammanna Kalal in a motor vehicle accident before the Hon'ble Court of the Principal District Judge and M.A.C.T Belagavi at Belagavi. The matter is currently pending adjudication.

  There are no issues of moral turpitude or criminal liability on part of the Company.

c. Matters involving material violations of Statutory Regulations by our Company.

- Our Company, filed an appeal vide Appeal No. E/20219/2016-DB on February 25, 2016 against the Order passed by the Commissioner, Central Excise, Customs and Service Tax -Belgaum vide Order No. – BEL-EXCUS-000-COM-B-HR-012-15-16 dated January 6, 2016 wherein the order stated that, the provisions of Rule 6 of the CCR, 2OO4 were attracted to the clearance of electricity (non-excisable) for a consideration received w.e.f.1.3.2015 in the event the assessee opted not to maintain separate accounts for CENVAT credit in respect of any inputs/input services used in relation to dutiable final products and exempted goods, in the light of amendment to Rule 6 vide Notification No.6/201s_CE(NT), dt.1.3.2015 and denied the CENVAT Credit of Rs. 2,36,36,992/-, Rs. 93,73,567/-. Rs. 2,01,59,813/- and Rs. 1,05,48,860/- respectively. The matter is currently pending adjudication.

- Our Company received a show cause cum demand Sl.No.51/2016-Commr. (C.Ex.), dated March 29, 2016 from the Joint Commissioner C.Ex., Belgaum vide his Order raising a demand for an amount of Rs. 1,44,66,447/- under Rule 14 of the CENVAT Credit Rules, 2004. After receipt of the said Order-ln-Original our Company has deposited an amount of Rs.10,84,984/- and being aggrieved by the said order the Company filed an Appeal vide Appeal No. E/20529/2018 on the ground that the electrical energy generated by the Appellants is non-excisable and is not covered within the scope of provisions of Rule 6 of the CCR, 2004 and that the show cause notices made many bald allegations toward the Company, one of them being that the appellants have allegedly failed to deposit the CENVAT Credit of Rs. 1,44,66,447/-. The matter is currently pending adjudication.

- Our Company filed an Appeal vide Appeal No. E/21597/2018 against the order passed by the Commissioner, Central Excise, Customs and Service Tax -Belgaum. Our Company received show caused notices tuning to an amount of Rs.93,23,882/ - equal to 6% on the amount of Rs.15,53,98,028/- being the value of electricity sold by our Company to outside agencies i.e., to power distribution companies. The matter is currently pending adjudication.

- Our Company was served a show caused notice stating that during the course of audit on the records of the assessee, internal audit party of Belagavi Audit Circle observed non-payment of Service Tax vide ST/20153/2020 on ocean freight (FOB value) of Rs. 99,38,110/-. Thus, the Company filed an appeal and denied Service Tax of Rs. 99,38,110/- on the grounds that services were rendered outside India and the same can't be taxed in India and secondly the services cannot be taxed as such since they were rendered under a CIF contract in which the Ocean Freight of such vessel owner or operator is paid by over sea supply. The matter is currently pending adjudication.

- Writ petition WPN 104162-104163/2019, was filed by our Company against the Union of India under Article 226 & 227 of the Constitution of India, seeking stay on the sugar cess of Rs.2,41,60,680/- levied on the Company before the High Court of Karnataka, Dharwad bench. The matter is currently pending adjudication.

- A show cause notice vide Sl.No.10/2008(ADC), dated January 29, 2008 was issued by the Additional Commissioner, Central Excise, Belgaum to M/s. Vishwanatha Sugars Limited (earlier name of the Issuer), wherein it was stated that the Issuer had availed and utilised Cenvat Credit of Rs.38,23,366/- (BED), Education Cess of Rs.71,111/- and Higher & Secondary Education Cess of Rs.374l/- aggregating to Rs.38,94,851/-, during the period spanning from February, 2007 to August, 2007. The Issuer was asked to show cause as to why these amounts and appropriate interest should not be recovered from them and why hefty penalty should not be imposed. The matter is currently pending adjudication.

- A show cause notice vide Sl.No.14/2009(AC), dated April 29, 2009 was issued by the Additional Commissioner, Central Excise, Belgaum to M/s. Vishwanatha Sugars Limited (earlier name of the Issuer), wherein it was stated that in addition to utilizing the electricity generated captively within their factory for running their plant and machinery for manufacturing of excisable goods being Sugar and Molasses, the Issuer had sold 4,06,57,500 units of electricity worth Rs.29,13,96,135/- as could be worked out based on their statement vide their ref. No. VSL/SCEX/NPN/175/2009 dated

April 11, 2009 for the period from April 2008 to March 2009 and to show cause as to why the said amount should not be recovered from them. The matter is currently pending adjudication.

- A show cause notice vide Sl.NO 15/2021-22, dated March 9, 2022 was issued by the Additional Commissioner Central GST and Central Excise, to M/s. Vishwanatha Sugars Limited (earlier name of the Issuer), wherein it was stated to show cause with respect to Transfer/Availment of "ineligible" CENVAT credit of Rs.3,53,47,341/- on sugar cess. The matter is currently pending adjudication.

d. Economic Offences where proceedings have been initiated against our Company.

There are no matters involving economic offences where proceedings have been initiated against our Company.

II. Litigations filed by our Company.

Our Company, filed an appeal vide Appeal No. C/86039/14 on March 24, 2014 against the Impugned Order – in - Original passed by the Commissioner of Customs Pune, vide Order No. PUN-CUSTM-000-COM-02/2012-14 dated January 13, 2014 wherein the order stated that, the coal imported by the our Company attracted classification under CTH 2701 1200 and not under CTH 27011920; that the exemption claimed by our Company in terms of Notification No 12/2012-Cus dated 17-03-2012 (Sl No 123) was not admissible since the coal imported was not Steam Coal'; that the Company was liable to pay the differential customs duty amounting to Rs 1,39,37,096/- along with interest as demanded in the SCN F No. VIII/Cus/CPP/VSIL/04/2013 dated July 17, 2013; that the Company had mis-declared the imports and resorted to mis-classification of the same with intent to evade payment of appropriate customs duty and hence the differential customs duty was liable to be demanded as per Section 28(1) of the Customs Act, 1962 and that our Company by mis-declaring and mis-classifying the coal imported and evading payment of applicable customs duty by availing incorrect exemption had rendered itself liable to imposition of penalty under Section 112 (a) the Customs Act, 1962. The matter is currently pending adjudication.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities.

Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for the renewal from time to time.

We were required to obtain only the Environmental Clearance from the government for one of the objects of this Issue being the establishment of a 150 KLPD Molasses based distillery at Belgaum, the details of which are given below. For further details, please refer to the chapter titled "*Objects of the Issue'* at page 40 of this Draft Letter of Offer.

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
1.	Grant of Environmental Clearance	EC Identification Number – EC23A022KA170830	Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India	January 09, 2023	One Time Registration

The other licenses and approvals for establishment of a 150 KLPD Molasses based distillery at Belgaum, will be sought in due course.

MATERIAL DEVELEOPMENT

Except as stated in the Draft Letter of Offer, to our knowledge, no circumstances have arisen since last balance sheet of the Company i.e March 31, 2022, which materially affect or likely to affect our operations, performance, prospectus or profitability or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meeting held on January 5, 2023, pursuant to Section 62(1) (a) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●]([●]) Equity Shares held on theRecord Date i.e., [●].

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28of SEBI Listing Regulations, *vide* letter dated [●] issued by BSE and *vide* letter dated [●] issued by NSE for listing of the Rights Equity Shares to be allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters, members of the Promoter Group nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive EconomicOffenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with 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 be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange and SEBI;

2. The reports, statements and information referred to above are available on the website of BSE & NSE; 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

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, CORPORATE CAPITAL VENTURES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEADMANAGER, CORPORATE CAPITALVENTURES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 27, 2023 IN THE FORMAT PRESCRIBED UNDERSCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, WHICH READS AS FOLLOWS:

1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAININGTO THE ISSUE;

2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORSAND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

a) THIS DRAFT LETTER OF OFFER IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

b) ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.

5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.

6) WE CERTIFY THAT REGULATION 15 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.

7) WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.

8) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

9) WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE.

10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALLBE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY EXCLUDING SUPERIOR EQUITY SHARES, WHERETHE COMPANY HAS OUTSTANDING SUPERIOR EQUITY SHARES. <u>COMPLIED WITH</u>; AND

b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH

11) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMSOF THE SEBI ICDR REGULATIONS, AS AMENDED WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

12) WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM INTERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE.

13) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BYUS IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.- COMPLIED WITH.

14) **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTEROF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY- COMPLIED WITH**.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCHSTATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing relianceon any other source of information, including our Company's website www.vsil.co.in or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respectivedirectors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any personwho is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibilityor liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

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.

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 Mumbai, India 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 our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the

Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and 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 in to whose possession this Draft letter of Offer/ Letter ofOffer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the RightsEntitlement 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/ Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft letter of Offer/ 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. Receiptof this Draft letter of Offer/ 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 bereproduced, 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 securitieslaws 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 orother 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 thatthere 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 WHICHTHE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TOBE 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, THE 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 postmarkedin the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make anoffer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders andthis Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements,it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, 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) whereour 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 ANYOTHERJURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, Statutory Auditor, legal advisor, the Registrar to the Issue, the Monitoring Agency* and the Bankers 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.

*Will be obtained prior to filing of the Letter of Offer.

Expert Opinion

Our Company has received written consent dated January 6, 2023 from the Statutory Auditor 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) report dated May 9, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated February 9, 2023 on our Limited Review Financial Results for the nine month period ended December 31, 2022; and (iii) statement of tax benefits dated December 22, 2022 in this Draft Letter of Offer and such consent has not been withdrawn as on 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, our Company has not obtained any expert opinions.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations.

Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously as per the provisions of the SEBI ICDR Regulations.

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. 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. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer. Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or the optional mechanism R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP 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) and copy of the e-acknowledgement (in case of the R-WAP process).For details on the ASBA process and R-WAP, see "*Terms of the Issue*" beginning at page 176 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue
Bigshare Services Private Limited

Address: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East,
Mumbai – 400 059, Maharashtra, India.
Tel No.: +91 – 22 – 6263 8200;
Fax No.: +91 – 22 – 6263 8299
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com
RWAP : https://rights. bigshareonline.com/VSIL
SEBI Registration No.: INR000001385
Contact Person: Mr. Swapnil Kate

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

Ms. Priya Manoj Dedhia, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Address: Bellad Bagewadi, Taluka
Hukkeri, District Belgaum – 591 305

Tel No.: +91 – 8333 – 251251;
Fax No: +91 – 8333 – 251323;
Email: cs@vsil.co.in;
Website: www.vsil.co.in

SECTION VII- ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or, R-WAP, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/ 136 dated July 24, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and Circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. As per the said circulars, all eligible shareholders shall be able to apply to this Issue through an optional mechanism (non- cash mode only), in this case being R-WAP in addition to the ASBA facility.*

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, our Company will send, at least three days before the Issue Opening Date, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.vsil.co.in

b) the Registrar to the Issue at https://rights. bigshareonline.com/VSIL

c) the Lead Manager at www.ccvindia.com

d) the Stock Exchanges at www.bseindia.com & www.nseindia.com; and

e) the Registrar's web-based application platform at https://rights.bigshareonline.com/VSIL ("R-WAP")

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at https://rights.bigshareonline.com/VSIL by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (i.e., https://vsil.co.in/).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

2. ***Facilities for Application in this Issue:***

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 (Collectively hereafter referred to as "SEBI Rights Issue Circulars") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "ASBA Circulars"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk on the website of the Registrar to the Issue at https://rights.bigshareonline.com/VSIL or call helpline number - +91 – 22 – 6263 8200 .

Registrar's Web-based Application Platform (R-WAP): In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.bigshareonline.com/VSIL), has been instituted for making an Application in this Issue by Resident Individual Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, Resident Individual Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INDIVIDUAL INVESTORS CAN SUBMIT AN APPLICATION USING THE R- WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTOR" ON PAGE 19 OF THIS DRAFT LETTER OF OFFER.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.bigshareonline.com/VSIL) or call helpline number (+91 – 22 – 6263 8200).

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) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.

3. ***Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the 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 Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●] are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares to the Registrar) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer of Rights Entitlement.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

4. Application by Resident 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 along with documents 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, 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.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements and shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares.

5. Application for Additional Equity Shares

Investors 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 finalized 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.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

6. ***Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation/ Off Market***

Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation.

7. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.bigshareonline.com/VSIL
b) Updation of email address/ mobile number in the records maintained by the Registrar or our Company: https://rights.bigshareonline.com/VSIL
c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights. bigshareonline.com/VSIL
d) Updation of Indian address can be done by way of an email to rightsissue@bigshareonline.com.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on June 25, 2021 pursuant to Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●]/- per Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE &NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●] & dated [●] respectively.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (https://rights.bigshareonline.com/VSIL) by entering their DP ID and Client ID or Folio Number

(in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of identity. The link for the same shall also be available on the website of our Company (www.vsil.co.in)

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company, 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://rights. bigshareonline.com/VSIL). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited to their respective demat accounts. They may also communicate with the Registrar with the help of the helpline number -+91 – 22 – 6263 8200 and their email address investor@bigshareonline.com

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and in accordance with the SEBI ICDR Regulations, will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange's websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●]/- per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●]/- per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable.**

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date, the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE430N01022 on BSE (Scrip Code: 542852) and the Equity Shares of our Company are listed on NSE (Scrip Symbol: VISHWARAJ). Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE & NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] & NSE through letter no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE & NSE 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.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE& NSE, our Company will forth with repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight (08) days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoter and Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue" on page 38 of this Draft Letter of Offer.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity

Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected, unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to the Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at the place where our Registered Office is situated.

The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for Resident Individual Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 192.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent primarily through email before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to the Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by our Company, Eligible Equity Shareholders should visit https://rights.bigshareonline.com/VSIL. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

Our Company at https://vsil.co.in/

a) the Registrar to the Issue at https://rights.bigshareonline.com/VSIL
b) the Lead Manager at https://www.ccvindia.com/
c) the Stock Exchange at www.bseindia.com & www.nseindia.com; and
d) the Registrar's web-based application platform at https://rights.bigshareonline.com/VSIL-("R-WAP")

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.bigshareonline.com/VSIL) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation

of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (i.e., https://vsil.co.in/). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on RWAP platform available at https://rights.bigshareonline.com/VSIL and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP which is available only for Resident Individual Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at https://rights.bigshareonline.com/VSIL and link of the same would also be available on the website of our Company at (https://vsil.co.in/). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be able to apply in this Issue.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available

by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through R-WAP:

Resident Individual Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "Risk Factor" on page 19 of this Draft Letter of Offer.

Set out below is the procedure followed using the R-WAP:

a) Resident Individual Investors should visit R-WAP (accessible at https://rights.bigshareonline.com/VSIL) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

c) Only Resident Individual Investors are eligible to apply in this Issue through R-WAP.

d) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

e) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.

f) Investors applying in the Issue through UPI facility should accept the debit/ payment request in the relevant mobile application for which the UPI ID details were provided.

g) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.

h) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

i) (Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

j) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP, the optional mechanism devised by the Lead Manager and the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat.

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 Exchange, and (ii) the R-WAP facility, will be available until p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process".

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the chapter titled *"Terms of the Issue"* on page 176 of this Draft letter of offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using R-WAP.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval

route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. 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://rights.bigshareonline.com/VSIL). Such Eligible Equity Shareholders can make an Application or renounce their entitlement only after the Rights Entitlements are credited to their respective demat accounts.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange 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 Exchange under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE & 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 Exchange and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Vishwaraj Sugar Industries Limited ;
- 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);
- Registered Folio Number and DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●]/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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);
- Additionally, all such Applicants are deemed to have accepted the following:

  "I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

  "I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

  I/ We understand and agree that the Rights Entitlement and 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 Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

  I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.bigshareonline.com/VSIL. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is [●], i.e. the 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 provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money

is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, 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 this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under "Terms of the Issue - Basis of Allotment" on page 198.

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 Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

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, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident 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 Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue @bigshareonline.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- 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. 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. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by our Company, Eligible Equity Shareholders should visit at https://rights.bigshareonline.com/VSIL.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Resident 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:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, registered post, speed post, courier, or hand delivery or by uploading the said documents in the "Demat Account Registration" module available in the portal of the Registrar at https://rights.bigshareonline.com/VSIL so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

2. 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;

3. The remaining procedure for Application shall be same as set out in "Application on Plain Paper under ASBA process" beginning on page 198.

4. The Eligible Equity Shareholders can access the Application Form from:

   - Our Company at www.vsil.co.in
   - the Registrar to the Issue at https://rights.bigshareonline.com/VSIL
   - the Lead Manager at www.ccvindia.com
   - the Stock Exchanges at www.bseindia.com & www.nseindia.com ; and
   - the Registrar's web-based application platform at https://rights.bigshareonline.com/VSIL -("R-WAP")

   Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (https://rights.bigshareonline.com/VSIL) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (https://vsil.co.in/).

5. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

   In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

General instructions for Investors

a) Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
b) Please read the instructions on the Application Form sent to you.
c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
d) Application should be made only through the ASBA facility or using R-WAP.
e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process".
g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars,

all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.

h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

i) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on R-WAP. 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 Exchange, and (ii) R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.

l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.

n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
v) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

a) Ensure that the Application Form and necessary details are filled in.
b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
d) Do not pay the Application Money in cash, by money order, pay order or postal order.
e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
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 Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
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 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 Investors 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 Lead Manager, the Registrar, the Escrow Collection Bank (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.

Do's for Investors applying through R-WAP:

a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment.
d) Ensure that you receive a confirmation email on successful transfer of funds.
e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application

Don'ts for Investors applying through R-WAP:
a) Do not apply from bank account of third parties.
b) Do not apply if you are a non-resident Investor.
c) Do not apply from non-resident account.
d) Do not apply from corporate account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:
a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar/ Depository.
b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (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 or our Company.
c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
e) Account holder not signing the Application or declaration mentioned therein.
f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
l) Physical Application Forms not duly signed by the sole or joint Investors.
m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
o) Applications which have evidence of being executed or made in contravention of applicable securities laws.
p) Applications which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

a) Applications by non-resident Investors.
b) Payment from third party bank accounts.
c) Application by shareholders holding in physical form without providing demat account details.

Our Company may, in consultation with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove Depository account and bank details for Investors holding Equity

Shares in demat accounts and applying in this Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the intimation of unblocking of ASBA Account or refund (if any) would be sent/dispatched to the address of the Investor as per the email address provided to our Company or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

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 Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "Investment by Mutual Funds".

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue " on page 38 of this Draft Letter of Offer).

Underwriting

The Issue is not underwritten and our Company has not entered into any underwriting agreement.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to rightsissue@bigshareonline.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation&	[●]
Issue Closing Date*	[●]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

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

**Our Board may, however, decide 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). Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before 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, 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.

Basis of Allotment

a) Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

b) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favour, in full or in part, as adjusted for fractional entitlement.

c) As per SEBI Rights Issue Circulars, for Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity is not in multiples of 30 (thirty), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for under (a) above. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

d) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (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 the Issue and will not be a preferential allotment.

e) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

f) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

g) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advices/Refund Orders

Our Company will issue and send/dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

In case of Applications through the R-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places

where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;
2. National Automated Clearing House ("NACH") – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
3. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

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.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE,OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

- The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:
- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form".

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid- up equity share capital of a company on a fully-diluted basis and the total holdings of all

FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA 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, only Category I FPIs, 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 eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or 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.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

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.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
2. 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
3. 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 ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten 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. Where such fraud involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated December 28, 2017 and April 23, 2019 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE430N01022.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment), in case of applications made through R-WAP facility. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment). 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.

Utilization of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of the Issue shall be transferred to a separate bank account;
b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
c) Details of all unutilized monies out of the Issue, 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; and
d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
v. Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
vi. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
vii. Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
viii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
ix. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
x. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and

confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously as per the provisions of the SEBI ICDR Regulations.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "Risk Factors" on page 19 of this Draft Letter of Offer.

All enquiries in connection with this Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP 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 "[●]" on the envelope to the Registrar at the following address:

Bigshare Services Private Limited
Address: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India.
Tel No.: +91 – 22 – 6263 8200;
Fax No.: +91 – 22 – 6263 8299
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Contact Person: Mr. Swapnil Kate

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar https://rights.bigshareonline.com/VSIL. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 – 22 – 6263 8200.

The Issue will remain open for a minimum period of 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).

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, it's accompanying documents 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, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchange.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the 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 jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Draft Letter of Offer and its accompanying documents will be 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.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Draft Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offeror sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Draft Letter of Offer under the heading "*Restrictions on Purchases and Resales*".

8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and

any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act,and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.

14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.

16. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.

17. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and in eligible to participate in this Issue under applicable securities laws.

18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company, the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Right Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Draft Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Draft Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("ASIC") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Draft Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act),to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Draft Letter of Offer, and any offers made under this Draft Letter of Offer, you represent to the Issuer, Lead Manager that you will not provide this Draft Letter of Offer or communicate any offers made under this Draft Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Draft Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Draft Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Draft Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Draft Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

China

This Draft Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re- offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Draft Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Dubai International Financial Centre

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

i. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority
(the "**DFSA**") rulebook; and

ii. made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a " **Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemption sunder the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
b) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Draft Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or

elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10,Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the "**QII Rights Entitlements and the QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Draft Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("Kuwait Securities Laws"). No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Draft Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Draft Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Draft Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will

be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Draft Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Rights Equity Shares directly or indirectly to anyone in Malaysia

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Both this Draft Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Draft Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Draft Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable

Oman

This Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("Oman") without the prior consent of the Capital Market Authority ("Oman CMA") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no Prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Draft Letter of Offer will not take place inside Oman. This Draft Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "CMAL"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that ithas experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Draft Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Draft Letter of Offer and the underlying instruments

have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Draft Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Draft Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1- 104-2019 dated 30 September 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Draft Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Draft Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Draft Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Draft Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Draft Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Draft Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re- offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

United Arab Emirates

This the Draft Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "**UAE**") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Draft Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

In the United Kingdom, this Draft Letter of Offer and any investment or investment activity to which this Draft Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Draft Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII- 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) 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://vsil.co.in/ from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Issue Agreement dated February 23, 2023 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated January 23, 2023 entered into amongst our Company and the Registrar to the Issue.

(iii) Escrow Agreement dated [●], 2023 amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

(iv) Tripartite Agreement dated December 28, 2017 between our Company, NSDL and the Registrar to the Issue.

(v) Tripartite Agreement dated April 23, 2019 between our Company, CSDL and the Registrar to the Issue.

(vi) Monitoring Agency Agreement dated February 7, 2023 between our Company and the Monitoring Agency.

2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Companyas amended from time to time.

(ii) Annual Reports of the Company for the past one year.

(iii) Limited Reviewed Financials for period ended December 2022.

(iv) Certificates of Incorporation as amended from time to time and Certificate of Commencement of Business.

(v) Resolution of the Board of Directors dated January 5, 2023 authorizing the issue pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

(vi) Resolution of the Board of Directors dated February 27, 2023 approving and adopting the Draft Letter of Offer.

(vii) Resolution of our Board dated [●], 2023, finalizing the terms of the Issue including Issue Price, Record Dateand the Rights Entitlement Ratio.

(viii) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead manager, Bankers to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of theirnames in this Draft Letter of Offer in their respective capacities.

(ix) Statement of Tax Benefits dated February 22, 2023 from P.G. Ghali & Co. Chartered Accountants included in this Draft Letter of Offer.

(x) Due Diligence Certificate dated February 27, 2023 to SEBI from the Lead Manager.

(xi) In principle listing approval dated [●], 2023 issued by BSE.
(xii) In principle listing approval dated [●], 2023 issued by NSE.
(xiii) SEBI interim observation letter number [●] dated [●].
(xiv) Statutory Auditor Certificate for confirmation of deployment of Rs. 2420 Lakhs dated February 20, 2023.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any timeif so required in the interest of our Company or if required by the other parties, without reference to the shareholder'ssubject 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 OF OUR COMPANY

Sd/-

Nikhil Umesh Katti
(Managing Director, Executive Director)

Sd/-

Ramesh Vishwanath Katti
(Additional Director)

Sd/-

Sneha Nithin Dev
(Additional Director)

Sd/-

Kush Ramesh Katti
(Managing Director, Executive Director)

Sd/-

Mukesh Kumar
(Executive Director)

Sd/-

Shivanand Basavanneppa Tubach
(Non Executive Independent Director)

Sd/-

Basavaraj Veerappa Hagaragi
(Non Executive Independent Director)

Sd/-

Surendra Shantaveer Khot
(Non Executive Independent Director)

Sd/-

Pratibha Pramod Munnolli
(Non Executive Independent Director)

Sd/-

Vishnukumar Mahadev Kulkarni
(Non Executive Independent Director)

SIGNED BY OUR COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

Priya Manoj Dedhia

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

Mr. Sheshagiri Kulkarni

Place: Bellad Bagewadi

Date: February 27, 2023