



PACIFIC INDUSTRIES LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 1956, at Jaipur, Rajasthan, as Pacific Granites Limited. Our Company was granted a certificate of incorporation and certificate of commencement of business dated July 13, 1989 and August 28, 1989, respectively, by the Registrar of Companies, Rajasthan. Thereafter, the name of our Company was changed to Pacific Industries Limited and a fresh certificate of incorporation, consequent upon change of name, was issued by the Registrar of Companies on November 25, 1994. The registered office of our Company was shifted from the state of Rajasthan to the state of Karnataka pursuant to the order passed by the Hon'ble Company Law Board, New Delhi Bench on November 30, 2011.

Registered Office: Survey No. 13, National Highway 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka

Corporate Office: Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313004, Rajasthan

Corporate Identification Number: L14101KA1989PLC062041,



Contact Person: Mr. Sachin Shah, Company Secretary and Compliance Officer

Tel: +91-294-2440196/2440388/2440933/2440934; **Fax:** +91-294-2440780 (Udaipur)

Tel: 080 7723004 / 7725974; **Fax:** 080 7723005; (Bangalore)

E-mail: pilnorth@pacificgranites.com; pacificind@rediffmail.com; pilnorth@pacificgranites.com; pacificinvestor@rediffmail.com

Website: www.pacificindustriesltd.com

PROMOTERS OF THE COMPANY: MR. JAGDISH PRASAD AGARWAL, MRS. GEETA DEVI AGARWAL AND MR. KAPIL AGARWAL		
FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY		
ISSUE OF UP TO [•] EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING PREMIUM OF ₹ [•] PER EQUITY SHARE) ("RIGHTS EQUITY SHARE") FOR AN AMOUNT AGGREGATING UP TO ₹ 4,800,00,000 (RUPEES FOUR THOUSAND EIGHT HUNDRED LAKHS ONLY) ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF PACIFIC INDUSTRIES LIMITED ("THE COMPANY" OR THE "ISSUER") IN THE RATIO OF [•] EQUITY SHARE FOR EVERY [•] FULLY PAID-UP EQUITY SHARE(S) (I.E., [•]) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•] (THE "ISSUE").		
THE ISSUE PRICE IS [•] TIMES THE FACE VALUE OF ₹ 10/- EACH.		
FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 228 OF THIS LETTER OF OFFER		
WILFUL DEFAULTERS		
Neither our Company, nor any of our Promoters or Directors are categorised as wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.		
GENERAL RISKS		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India (the "SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the section titled 'Risk Factors' on page 25 of this Draft Letter of Offer.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 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 of our Company are listed on BSE Ltd. ("BSE"). We have received "in-principle" approval from BSE for listing the equity shares arising from the Issue vide its letter dated [•]. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE.		
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
<div><div>SRUJAN ALPHA CAPITAL ADVISORS</div><div>Srujan Alpha Capital Advisors LLP 112A, Arun Bazar, Swami Vivekananda Road, Malad West, Mumbai, Maharashtra 400064 Tel: +91-22- 4016 7322 E-mail: pil.rightsissue@srujanalpha.com Website: www.srujanalpha.com Contact Person: Mr. Jinesh Doshi LLPIN No.: AAW-1680 SEBI Registration No.: INM000012829</div></div>		<div><div>LINK INTIME INDIA PRIVATE LIMITED C 101, 1st Floor, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India; Tel: +91 22 49186200 Email: pacific.rights@linkintime.co.in Investor grievance email: pacific.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande Website: www.linkintime.co.in SEBI Registration Number: INR000004058</div></div>
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUAIPAITON FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
[•]	[•]	[•]

THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITION AND ABBREVIATIONS	3
NOTICE TO INVESTORS	14
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION	17
FORWARD LOOKING STATEMENTS.....	19

SECTION II – SUMMARY OF THIS LETTER OF OFFER..... 21

SECTION III - RISK FACTORS..... 25

SECTION IV – INTRODUCTION

THE ISSUE.....	48
GENERAL INFORMATION	49
CAPITAL STRUCTURE	54

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE.....	56
STATEMENT OF SPECIAL TAX BENEFITS	67

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW	70
OUR BUSINESS.....	77
OUR MANAGEMENT	82

SECTION VII - FINANCIAL INFORMATION

FINANCIAL STATEMENTS.....	88
ACCOUNT RATIOS.....	199
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	202

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	212
GOVERNMENT APPROVALS	218
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	219

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE.....	228
-------------------------	-----

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	273
DECLARATION	275

SECTION I – GENERAL

DEFINITION AND ABBREVIATIONS

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

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

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax benefits” and “Financial Statements” beginning on pages 67 and 88, respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

Term	Description
“Pacific Industries Limited” or “Pacific” or “the Company”, or “the Resulting Company”, or “our Company”	Pacific Industries Limited, a public limited company incorporated under the provisions of the CA 1956, as amended, and having its registered office at Survey No.13, N.H.48, Kempalinganhalli, Nelamangala Taluka Bangalore KA 562123 and having its corporate office at Village Sapetia, Brahmano Ka Guda, Bedla Udaipur 313004 Rajasthan

COMPANY RELATED TERMS

Term	Description
“We” or “us” or “our”	Unless the context otherwise indicates or implies, refers to Pacific Industries Limited
AGM	Annual General Meeting
Articles / Articles of Association / AOA	Articles of Association of our Company, as amended from time to time
Auditor / Statutory Auditor	The statutory auditors of our Company i.e., M/s. Ravi Sharma & Co.
Audited Financial Statements / Audited Financial Information	The audited financial statements of our Company for the financial year ended March 31, 2021 which comprises of the balance sheet as at March 31, 2021, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 88
Board or Board of Directors	Board of directors of our Company, including any committee thereof
Corporate Office	Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313004, Rajasthan

Equity Share(s)	The equity shares of our Company of a face value of ₹ 10 each, unless otherwise specified in the context thereof
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page 82
Limited Review Report	Report dated February 09, 2022 prepared by the statutory auditors of our Company, M/s Ravi Sharma & Co., Chartered Accountants on the unaudited financials results of our Company for the nine month ended on December 31, 2021.
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Promoter(s)	Mr. Jagdish Prasad Agarwal, Mrs. Geeta Devi Agarwal and Mr. Kapil Agarwal
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at Survey No. 13, National Highway 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka
Registrar of Companies/ RoC	The Registrar of Companies, Karnataka at Bangalore.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
Limited Review Unaudited Financial Statements/ Limited Review Unaudited Financial Results	The limited review unaudited financial results for the nine months ended December 31, 2021 prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the notes thereto.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer or ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the RightsEntitlement

Allotment / Allot / Allotted / Allotment of Rights Equity Shares	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Person(s) to whom Equity Shares are issued pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of allotment by the Designated Stock Exchange
Allotment Date	The date on which Allotment is made
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
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 (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/ CIR/P/2020/13 dated January 22, 2020
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue	HDFC Bank Limited

Banker to the Issue Agreement	Agreement dated 28.01.2022 amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker(s) to the Issue for receipt of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “Terms of the Issue” beginning on page no. 228
BSE	BSE Limited
Common Application Form / CAF	The form used by an Investor to make an application for the Allotment under the Issue
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Letter of Offer / LOF	The Draft Letter of Offer dated [•] filled with BSE including any addenda or corrigenda thereto
Eligible equity Shareholder(s)	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date
Escrow Account	One or more no-lien and non - interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R - WAP facility
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, HDFC Bank Limited
Investor(s)	Eligible Equity Shareholder(s) of the Company as on Record Date [•] (date) and the Renouncee(s)
IEPF	Investor Education and Protection Fund

Issue / Rights Issue	Issue of upto [•] Equity Shares with a face value of `10 each at a premium of ` [•] per Equity Share for an amount aggregating up to [•] lakhs on a rights basis to the Eligible Equity Shareholders in the ratio of [•] Equity Share for every [•] fully paid- up Equity Share(s) (i.e., [•] : [•]) held by the Eligible Equity Shareholders on the Record Date i.e. [•]
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	[•] per Equity Share.
Issue Proceeds	The Gross proceeds raised through the Issue
Issue Size	The issue of [•] Equity Shares for an amount aggregating up to 4800 Lakhs* (*Assuming full subscription)
Lead Manager/ LM	Srujan Alpha Capital Advisors LLP
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange
Net issue proceeds / Net proceeds	Issue Proceeds less the Issue related expenses. For further details, see “Objects of the Issue” beginning on page 56
NRI(s)	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Non Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
Offer Documents	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto
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 renouncement 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, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Thursday, December 31, 2021
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2 (1) (ss) of the SEBI ICDR Regulations

R-WAP	Registrar's web based application platform, instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/ submitting online Application Forms by resident public Investors. This platform is instituted only for resident Investors in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [•]
Refund Bank	HDFC Bank Limited
Registrar to the Issue / Registrar / RTA	Link Intime India Private Limited
Registrar Agreement	Agreement dated 20.01.2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
Renouncee(s)	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off - market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s) / RE's	Number of 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, in this case being [•] Equity Shares for every [•] Equity Shares held by an Eligible Equity Shareholder
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 the link of which is available on the website of our Company
R - WAP	Registrar's web - based application platform accessible at www.linkintime.co.in , instituted as an optional mechanism in accordance with the R - WAP Circulars. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

R - WAP Circulars	SEBI circular bearing SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the 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/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.
Self - Certified Syndicate Banks / SCSB(s)	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other links as may be prescribed by SEBI from time to time.
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2 (1) (III) of the SEBI ICDR Regulations.
Working Days	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Conventional, General Terms and Abbreviations

Term	Description
₹ / Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIT (A)	Commissioner of Income Tax
CPC	Central Processing Centre
CrPC	Criminal Procedure Code
Companies Act	Companies Act, 2013 and the rules made thereunder
Covid 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A Depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
Financial year / Fiscal / FY	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations

FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / Government of India / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
ICD	Inter Corporate Deposits
ICL	Inter Corporate Loans
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository
IT	Information technology
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with BSE Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mutual Fund	Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer

Net Worth	The aggregate value of the paid - up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write - back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non - Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non - Resident External Account
NRO Account	Non - Resident Ordinary Account
NRI	Non - Resident Indian
OCB / Overseas Corporate Body	The company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992

SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors Regulations, 2019, as amended
SEBI Rights Issue Circulars / Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the R - WAP Circulars
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
US	United States of America
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Statement of Tax Benefits”, “Outstanding Litigations and Defaults” and “Financial Information” on pages 67, 212 and 88, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the "Issue Materials") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Pursuant to the Rights Issue Circulars, in case such Eligible Equity Shareholders have provided their valid e - mail address, the Issue Materials will be sent only to their valid e - mail address and in case such Eligible Equity Shareholders who have not provided their e - mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided through e - mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R - WAP.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non - dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form 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 the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale or offer 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 the date of the Letter of Offer or date of such information.

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling 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 nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares 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 Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, and Abridged Letter of Offer 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, this Letter of Offer / Abridged Letter of Offer, Rights Entitlement Letter and Application Form 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 of America when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares 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 on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and

the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the ‘Government’ or ‘GoI’ or the ‘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 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, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this 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 are to the page numbers of this Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2021 and Limited Review Unaudited Financial Results for the nine months period ended December 31, 2021. For further information, see “Financial Information” on page 88.

We have prepared our Audited Financial Statements and Limited Review Unaudited Financial Results in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Regulation 33 of the 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 Letter of Offer should accordingly be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this 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. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

Non-Ind AS measures

Certain non-Ind AS financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share and Earnings before exceptional items, interest, tax, depreciation and amortization (“EBITDA”) have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by IndAS. These are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS.

Further, these measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non GAAP measures, are not standardised terms and have limited usefulness as a comparative measure. Although such Non - GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance

Market and Industry Data

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information.

Accordingly, Investors should not place undue reliance on this information.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Exchange Rates

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 the respective foreign currencies:

Currency	Exchange Rate as on	
	December 31, 2021	March 31, 2021
1 US\$	74.30	73.50

(Source: www.fbil.org.in)

The price for the period end refers to the price as on the last trading day of the respective fiscal year

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000

million/100 crores;

One lakh/lac is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward - looking statements'. Investors can generally identify forward - looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward - looking statements. However, these are not the exclusive means of identifying forward - looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward - looking statements. These forward - looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward - looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward - looking statements or other projections. All forward - looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward - looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward - looking statements include, among others:

- Uncertainty in relation to continuing effect of the COVID - 19 pandemic on our business and operations;
- Uncertainty due to Geo political factor globally.
- Our ability to successfully implement our strategy;
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner;
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our Products;
- Increasing competition in, and the conditions of, the Indian home products industry;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 77 and 202, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward - looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe

the assumptions upon which these forward - looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward - looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward - looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward - looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward - looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements

SECTION II – SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors.

This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages 25, 48, 54, 56, 77, 70, 212 and 228 respectively.

Summary of our Business

Our Company is presently engaged in production and export of polished granites slabs, cut-to-size polished granite tiles, polished marble slabs, polished natural stones and quartz slabs. It also trades and export in granite / marble slabs & tiles, rough granite / marble blocks, sandstone, slate stone and all other kinds of stone.

Our Company in the year 2018-2019 had ventured into Quartz business in the brand name of ‘TANNJ QUARTZ’. Quartz is one of the hardest natural materials on earth and appears similar to that of granite. The key distinguishing factors of Quartz is that they are naturally scratch and stain resistant and non-porous. Quartz surfaces are produced by Pacific Industries Limited by combining pure natural quartz, resin and other raw materials that are extraordinarily hard and resilient. These characteristics combine to create an ideal surface for kitchen countertops, bathrooms and other interior vertical applications. Demand for quartz has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties.

Objects of the Issue

The proposed utilization of Issue Proceeds is set forth below:

(₹ In lakhs)

Sr. No.	Particulars	Amount
1.	Repayment of Unsecured Loan availed from the related party	2,300.00
2.	To meet working capital requirements of the Company	2,445.00
3.	Issue Expenses	55.00
	Total Net proceeds#	4,800.00

Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

For further details, see “Objects of the Issue” on page 56.

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

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 28.02.2022 (the “Subscription Letters”) indicated their intention to: subscribe, jointly and/ or sever ally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

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.

Financial Information

The following table sets forth summary financial information derived from the Audited Financial Statements and the Unaudited Financial Results of the Company. The financial information as of and for the financial year ended March 31, 2020 is derived from the comparatives presented in the Audited Financial Statements as of and for the financial year ended March 31, 2021.

Particulars	For the nine months period ended December 31, 2021	For the fiscal	
		2021	2020
Share Capital	344.63	344.63	344.63
Networth ¹	11059	9824.63	8939.38
Total Income	23123.75	18174.5	10428.4
Profit / (Loss) after Tax	1189.64	776.36	18.54
Basic and diluted EPS (in Rs)	34.52(2)	22.53	0.71
Net Asset Value per share (in Rs)	320.89	285.1	259.41
Total borrowings	12702.91	10968.42	8591.72

- (1) Equity share capital and other equity
- (2) Not annualised
- (3) Net asset value shall mean Equity share capital and other equity
- (4) consists of borrowings under non-current liabilities, current maturities of long - term debts and borrowings under current liabilities

Auditor Qualifications:

No reservations, qualifications and adverse remarks have been made by our statutory auditors in their reports which requires any adjustments to the Audited Financial Statements for Fiscal 2021 and the Unaudited Financial Results for the nine months period ended December 31, 2021.

Summary of Outstanding Litigations and Defaults

A summary of outstanding legal proceedings involving our Company and Promoters as on the date of this Letter of Offer is set forth in the table below:

Outstanding Litigations

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Letter of Offer is provided below. For details of the material outstanding litigation proceedings including (i) criminal proceedings; (ii) material civil proceedings; (iii) actions taken by statutory or regulatory authorities; and (iv) claims related to direct taxes, please see "Outstanding Litigations and Defaults" on page 212

Sr. No.	Outstanding Litigations	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
1.	Filed against our Company		
	Civil Law	3	Unascertainable
	Labour Law	2	Unascertainable
	Total	5	Unascertainable
2.	Filed by our Company		
	Civil Law	2	Unascertainable
3.	Litigation involving Tax Liabilities		
	Direct Tax	4	33,50,400/-
	Indirect Tax	13	9,90,80,676/-
	Total	17	10,24,31,076/-

The amounts mentioned above may be subject to additional Interest / penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest / penalties that may be levied is un-ascertainable as on date of this Letter of Offer. For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 212 of this Letter of Offer.

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "Risk Factors" on page 25 of this Letter of Offer.

Contingent Liabilities

As of March 31, 2021, we have certain contingent liabilities that had not been provided for, as per Ind AS 37. Details of the same are as under:

Sr. No.	Particulars
	Contingent liabilities:(Claims against the Company not acknowledged as debt)
1.	Demand Raised by the Central Excise Commissionerate of Rs.170.62 Lacs against which Rs 62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending
2.	The company has a total demand of Rs.78.39 lacs of Custom Duty out of which the company has deposited Rs.9.21 Lacs under protest against which the company has filed an appeal
	Other Contingent Liabilities
1.	Show cause notice received from excise authorities of Rs.1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account

2.	Show Cause notice received from excise authorities of Rs 4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account
3.	Show Cause Notice Received From Custom Authorities of RS 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017. However, no demand has been received from the custom authorities against the same and based on Legal opinion obtained, the company does not expect any liabilities on this account

For disclosure of contingent liabilities as per Ind AS 37 as at March 31, 2021 please see the section Financial Statements – “Note 38 Contingent Liabilities / Commitments, Contingent Assets and Pending Litigation Additional information to the financial statement” on page 144 of this Letter of Offer.

Related Party Transactions

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for FY ending March 31, 2021 please see Financial Statements - “Note 37 : Related Party Transactions” on page 141 of this Letter of Offer.

Financing Arrangements:

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of nine months immediately preceding the date of this Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Letter of Offer.

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. The risks described below together with other information contained in this Letter of Offer should be carefully considered by the prospective investors before making an investment decision. Prospective investors should carefully consider all the information contained in the section titled "Financial Information" on page 88 for the information related to the financial performance of our Company. The risks described in this section are those that we consider to be the most significant to our business, results of operations, financial condition, cash flows and prospects. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. If any or a combination of the following events occur, our business, results of operations, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

1. The impact of the COVID - 19 pandemic on our business and operations is uncertain and cannot be predicted

The World Health Organization declared the 2019 novel coronavirus ("COVID - 19") outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID - 19, including quarantines, shelter in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID - 19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID - 19. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

The Spread of Second Wave of Coronavirus in the month of April and May 2021 was most devastating and millions of people of India were under its net. There was complete chaos and millions of persons was affected due to shortage of Oxygen and ICU Beds that have led to more impact on the business and commercial activities in India. Many States in India imposed Strict lockdowns. Any further wave of Coronavirus in the country will affect our sales and profitability.

The impact of the COVID - 19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. Adverse consequences of, and conditions resulting from,

the COVID - 19 may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID19 outbreak has subsided.

2. Our export revenues are concentrated in the U.S., European Union, Middle East, Vietnam, Indonesia etc and Economic slowdown, adverse geopolitical factors and other factors that affect these regions may in turn affect our business.

We rely significantly on the export of our products to the U.S., European Union, Middle East, Vietnam, Indonesia etc and demand for Granite, Marbles and Quartz is huge in U.S. and Europeans Countries. Accordingly, we are particularly prone to the overall health of the economy as well as any geopolitical factors especially current geopolitical scenario in neighboring country to the European Union.

The market in these regions may be affected by a number of factors outside our control, including local and economic conditions, changes in demand and supply for products comparable to those that we develop, and changes in Government regulations.

The concentration of exports to top 3 countries on standalone basis is as below:

Years	Top 3 Countries	% of total export of Marble and Granite	% of total export of Quartz
2020-21	USA	22%	100%
	Slovakia	10%	-
	Poland	8%	-
2019-20	USA	29%	100%
	Poland	15%	-
	Vietnam	7%	-
2018-19	USA	33%	-
	Vietnam	6%	-
	Poland	5%	-

Any adverse geopolitical situation or a slowdown could adversely affect our business and results of operations including our ability to implement the business strategy.

3. Our Unit at Bangalore is closed during the month of October 2020 and still under closure and the same could affect the results of operations

Our unit at Survey No. 13, N.H. 48, Kempalinganhalli, Nelamangala Taluka was closed in the month of October 2020. Due to closure of Unit at Bangalore, there can be operation and other issues related to movement of stock etc. There are disputes with Pacific Industries Limited Employee Association and if a significant portion of these disputes results against our Company, it could have an adverse effect on our business, financial condition and results of operations. For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 212 of this Draft Letter of Offer.

There can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled

labour. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. Any labour unrest including labour disputes, strikes and lock - outs, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected

4. **Our Company is involved in certain legal and other proceedings and there can be no assurance that our Company will be successful in any of these legal actions. In the event our Company are unsuccessful in any of the disputes, our business and results of operations may be adversely affected.**

Our Company is party to certain legal proceedings and claims in relation to certain civil, and tax matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. A summary of such proceedings is set forth below.

Cases Pending Against our Company:

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Civil	Motor Vehicle, Mines & Minerals*	3	Not ascertainable
Labour	Industrial Disputes	2	Not ascertainable

**Details of certain matters are not available with the Company.*

Cases filled by our Company:

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Civil	Mines & Minerals (Development and Regulation) Act, 1957 *	2	Not ascertainable

**Details of certain matters are not available with the Company.*

Litigation involving Tax Liabilities

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Direct Tax	Intimation under 143(1) & TDS Default	4	33,50,400/-
Indirect Tax	Customs and Excise	13	9,90,80,676/-

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management's time and attention, and consume financial resources in their defense or prosecution. Should any new developments arise or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 212 of this Draft Letter of Offer.

5. Our Company has certain contingent liabilities and profitability may be adversely affected if any of these contingent liabilities materialize.

As of March 31, 2021, we have certain contingent liabilities that had not been provided for, as per IndAS 37. Details of the same are asunder:

Sr. No.	Particulars
	Contingent liabilities: (Claims against the Company not acknowledged as debt)
1.	Demand Raised by the Central Excise Commissionerate of Rs.170.62 Lacs against which Rs.62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending
2.	The company has a total demand of Rs.78.39 lacs of Custom Duty out of which the company has deposited Rs.9.21 Lacs under protest against which the company has filed an appeal
	Other Contingent Liabilities
1.	Show cause notice received from excise authorities of Rs.1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.
2.	Show Cause notice received from excise authorities of Rs.4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account
3.	Show Cause Notice Received From Custom Authorities of RS 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017. However, no demand has been received from the custom authorities against the same and based on Legal opinion obtained, the company does not expect any liabilities on this account

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see “Financial Information –Note 34” on page 188.

6. Our business is dependent on the sale of our products to our certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on a limited number of key customers for a significant portion of our revenues. For the Nine month’s period ended December 31, 2021, Financial Years ended March 31, 2021 and 2020 our top five customers have contributed more than 60% of our total revenue from operations. Further, most of the business that we conduct with our significant customers is through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our customers, including our key customers.

The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our key customers

7. A significant portion of our purchases is concentrated amongst a limited number of suppliers, with whom our Company have not entered into long-term contracts

Our Company depend on a limited number of suppliers for a sizeable portion of our purchases of raw materials. For the Nine months period ended December 31, 2021, Financial Years ended March 31, 2021 and 2020 our top five suppliers from whom the purchases were made have contributed more than 60% of our total purchases. Further, most of the business purchases are through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our suppliers.

Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Any supply constraints or upward price movement by the above suppliers may have a material adverse effect on our business, prospects, results of operations and financial condition.

8. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by

various factors such as the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions.

We seek to source our raw materials from domestic and international market. We do not have long - term contracts with our suppliers. We typically purchase raw materials on a purchase order basis. Consequently, we may be required to regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices. The absence of long - term supplier contracts subjects us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Further, we cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. Our suppliers may also be unable to provide us with sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. While, we typically sell our products to our customers on a purchase order basis, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

If we are unable to purchase the raw materials from such suppliers for any reason including due to cessation of operations by such suppliers, disputes with such suppliers, or if there is a substantial increase in the prices charged by such suppliers, there can be no assurance that we will be able to identify alternative suppliers for our raw materials at similar cost and other terms of purchase. Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition

9. Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition

Our manufacturing facilities are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock - outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence.

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or

economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations during such period. The occurrence of any such incidents could also result in a destruction of certain assets and adversely affect our results of operations. In particular, due to the COVID-19 pandemic, operations at our manufacturing facility were temporary suspended in the month of April 2020 owing to the lockdown imposed by the Government, and we subsequently resumed operations in a phased manner in May 2020. Further, in the first quarter of Fiscal 2022 there were market disruptions due to restrictions imposed by state governments on account of COVID-19. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer relationships, business, financial condition, results of operations and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

- 10. We are heavily dependent on machinery for our operations. We have not entered into technical support service agreements for the maintenance and smooth functioning of our machineries. Any break-down of our machinery will have a significant impact on our business, prospects, results of operations and financial condition.**

Our Existing Facilities of Granite, Marbles and Quartz are heavily dependent on plant and machinery. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Although our Company has accessibility to avail the technical support from the external experts and the machinery suppliers locally, any failure to quickly redress any technical issue, may increase our downtime which may affect our business, prospects, results of operations and financial condition. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our business, results of operations and financial condition.

- 11. If we fail to keep pace with advancements in technology in the existing Marble and Granite Industry as well as in Quartz Industry or respond to changes in market demand or client requirements, our business and financial condition could be adversely affected.**

The marble and granite industry as well as quartz industry is characterized by frequent advancements in technology. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and / or write-downs of assets. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial condition.

- 12. If our Company is unable to respond effectively to competition, our business and financial condition may be adversely affected. We operate in a competitive business environment, both globally and domestically. If our Company is unable to respond effectively to competition, our business, prospects, results of operations and financial condition may be adversely affected.**

We operate in a competitive business environment. The marble and granite as well as quartz industry in which our company is operating is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both Governments and bilateral treaties and arrangements and consolidation of resources by industry players. Growing competition may subject us to pricing pressure and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, several of our competitors are larger international and national companies and have access to great resources, wider geographical reach, broader product range so may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Further, they may succeed in developing products that are more effective, more popular or cheaper than our products. Any of these factors may have a material adverse effect on our business, prospects, results of operations and financial condition.

- 13. Any increase in Freight & Forwarding charges and non-availability of containers may adversely affect our operations and may put pressure on margins**

We are heavily dependent on Exports and any increase in freight and forwarding charges will have direct impact on the volume of sales and / or margins which might affect the profitability of the Company. Similarly, non-availability or shortage of containers for exports will add to the margin pressure which will have overall bearings on the performance of the Company.

We have faced significant disruptions due to increase in Freight & Forwarding charges and non-availability of containers in recent times due to the COVID-19 pandemic which has severely affected our ability to export and we cannot assure you that same will be normalised in near future due to continued threat of Covid-19 Pandemic which may affect volume of sales and / or margins which might affect the profitability of the Company.

- 14. Our business is significantly export oriented and adverse anti-dumping duty by USA shall have bearing on the overall business of the Company.**

The business of our Company is significantly export oriented and significant majority of exports are to United States of America (USA) and imposition of any adverse anti-dumping duty by USA shall have adverse bearing on the business of the Company. In the past (year 2019-2020) our Company had suffered set back due to higher anti-dumping duty. There cannot be any assurance that the same not affect us in future too.

- 15. Our Company has a geographical disadvantage due to non-proximity to ports and thereby reduces our cost competitiveness.**

Presently we are operating our business from our existing facilities located at Udaipur, Rajasthan. As Udaipur is located in the northern region of India, it does not have any proximity to ports. Therefore, our Company has to rely on ports located near cities such as Mundra, Gujarat for export of our finished goods. Due to this, our Company lead-time of exports from India ranges from 3 days to 10 days. This

might make our Company less competitive as compared to other competitors who are geographically placed near to ports.

16. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and collection of receivables post sales to customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements as well as extend credit period to customers as per the industry practise, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

17. Our Company had voluntarily applied to the Board for Industrial and Financial Reconstruction (BIFR) for being categorised as sick on 16.02.2000 which got rejected and then once again applied on 22.02.2002.

Our Company's product suffered demand recession as such consumption of marble and granite had reduced which ultimately affected the Company's capacity utilisation. Additionally, the long term loans from IFCI and IDBI as well as from other financial companies were having high finance cost compared to the borrowings by other competitors and this also resulted into financial stress on the

Company. Also, our Company has acquired certain mining areas to overcome the dependence over raw material on other mining companies and incurred heavy cost. However, our Company could not generate expected yield and the expenditure on acquiring mining area costed financials of the Company and consequently applied to BIFR on 16.02.2000 which got rejected and then the Company had once again made an application on 22.02.2002.

Subsequently, the financial performance of our Company improved and with that result, our Company came out of the distress and One Time Settlement was done with the Banks and application to BIFR was withdrawn vide letter dated March 2, 2005.

However, we cannot provide any assurance that our Company may maintain profits in future and such instances will not arise at all.

18. We currently avail benefits under certain export promotion schemes. Any failure in meeting the obligations under such schemes, may result in adversely affecting our business operations and our financial condition.

We currently avail benefits under certain export promotion schemes, namely, Export Promotion Capital Goods ("EPCG") license. As per the licensing requirement under the said scheme, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of December 31, 2021, our pending obligations against EPCG License was INR 122.49 Lakhs, which will be adjusted at the time of the consequent exports as per the required timelines. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business and financial condition.

19. Our Statutory Auditors have qualified their reports as well as included certain matters of emphasis in our Financial Statements for the financial year ended March 31, 2020.

The auditor's report to the Financial Statements for the year ended March 31, 2020 includes a qualification as well as matter of emphasis referring to a note in the financial statements which is as follows:

Note on qualified opinion

"Refer Note No. 38 of Notes on Standalone Ind AS Financial Statements regarding confirmation and reconciliation of various Debit and Credit balances appearing under various heads and non-provision of exchange fluctuation w.r.t certain old balances. Final reconciliations/confirmations of the same may affect our disclosure."

Debit & Credit Balances appearing under Sundry Debtors, Loans & Advances, Unsecured Loans, Sundry Creditors are subject to confirmation & reconciliation. Adjustment, if any, in these accounts will be made as & when finally reconciled & confirmed. Trade Receivables & Trade Payables have been taken at their book value after making necessary adjustment on account of foreign exchange fluctuation except in case of some old balances lying in account.

Note on matter of emphasis

“We invite attention to Note No. 43 to the financial statements regarding uncertainties associated with the Covid-19 Pandemic and impact assessment made by the Company on its business and financial statements for the year ended March 31, 2020, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.”

Covid-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company’s mining, Factory & other activities had to be closed down for some period of time however with the phased easing of restrictions the activities of the company has resumed.

Management believes that it has assessed all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable values of other assets and in the opinion of the management no significant impact of the same is there on the above matters.

However, given the effect of these lockdowns on the overall economic activity the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results

There can be no assurance that any similar qualified opinion as well as matters of emphasis or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors’ report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

20. Company has incorporated wholly owned subsidiary in United States of America (USA) and legal due diligence for the same has not been carried out

Our Company has floated a wholly owned subsidiary in USA for the purpose of Catering the Domestic customers of USA, who are not willing to import products from India. We have not carried out any separate due diligence of such wholly owned subsidiary and relied on Management representations. Any adversities may affect the reputation of our Company and also might entails additional costs too.

21. Demand / Business for Marble and Granite is substantially reduced

Our company has experienced steady decline in demand for Marble and Granite over last three years and we cannot guarantee about the trend reversal and continued decline in its demand might effect the overall financial performance of the Company. The bifurcation of sales of last three years of Marble and Granite are tabulated below;

(Amount in Lakhs)

Sales	Marble & granite			
Year	Export	Decline (%)	Domestic	Decline (%)
2020-21	3,026.71	27%	649.82	44%
2019-20	4,156.68	20%	1,162.37	14%
2018-19	5,191.17	-8%	1,348.00	-16%

22. Demand for our Quartz Slabs is closely tied to the levels of residential and non- residential construction activity in India and outside India.

Demand for Quartz Slabs are closely tied to the levels of residential and non- residential construction activity in India and outside India. Any reduction in the activity in one or both of these markets could have a material adverse effect on our business, results of operations and financial condition.

23. Under-utilisation of our production capacity may adversely impact our financial performance.

The plant at Udaipur was running at 50% of installed capacity for the Nine months period ended December 31, 2021 and financial year ended March 31, 2021 for the purpose of production and export of granite slabs and 100% of installed capacity for the Nine months period ended December 31, 2021 and financial year ended March 31, 2021 for the purpose of production of Quartz slabs. The third line of Quartz unit has been installed anticipating huge demand for super jumbo slabs and in the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic and geopolitical scenario, change in demand or change in technology or non-acceptability of the product in the market for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance

24. We face competition from substitutes for Quartz Slab and if consumers' preferences for any of these substitutes increases it could lead to a reduction in the demand for our product, which could have a material adverse effect on our business, financial condition and results of operations.

In addition to competition from players in the marbles and granite industry, we also face competition from substitutes for Quartz Slabs from Italian Marbles and other allied products. Increases in consumers' preferences for the substitutes could lead to a reduction in the demand for our product, which could have a material adverse effect on our business, financial condition and results of operations.

25. We operate in a highly fragmented and competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

We operate in a highly competitive industry, comprises of large number of organized and unorganized players. Increased competition from other organized and unorganized players may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

Our success depends on our ability to anticipate, understand and address the preferences of our existing and prospective clients as well as to understand evolving industry trends and our failure

to adequately do so could adversely affect our business. Other factors that could affect our ability to maintain our levels of revenue s and profitability include the development of an operational model similar or superior to ours by a competitor. Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

26. Our company had explored an opportunity of trading in Iron Ore in the F.Y. 2020-2021 and earned certain profits from it. Company may continue to do so in future.

Our Company had sensed the opportunity in iron ore trading which is not core business and also generated reasonable profits out of the same. We may continue to trade in Iron Ore in future. We however cannot guarantee of continued profits and it may result into loess since its non-core area for the Company.

27. Our Company may be subject to industrial unrest, slowdowns and increased labour costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. The Company had recently experienced the labour unrest at Bangalore Unit while closure of Bangalore Unit. Although there was no such incidence in Udaipur unit until now, we cannot assure you that there will be no labour unrest in the future at Udaipur Unit.

As at December 31, 2021, our Company had approximately 180 full-time employees. While our Company believes that it maintains good relationships with the employees, there can be no assurance that we will not experience disruptions to our operations in the future due to disputes or issues with our contractors or employees. In the event there are any unrest with labour unions and conflicts with the same, or if our Company experiences unrest or slowdowns, it may become difficult for our Company to maintain flexible labour policies, all of which may materially and adversely impact our business, prospects, results of operations and financial condition.

28. Our operations are subject to environmental, workers' health and safety and employee laws and regulations.

We have made and will continue to make capital and other expenditure to comply with environmental, health and safety standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines.

Additionally, we cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. Any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations.

29. Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled –"Our Management" beginning on page 82 of this Letter of Offer.

30. We are subject to risks arising from exchange rate fluctuations, which could adversely affect the financial results of our Company.

Uncertainties in the global financial markets may have an adverse impact on the exchange rate between INR and other currencies. The exchange rate between INR and other currencies are variable and may continue to remain volatile in the future depending upon the foreign exchange reserve position of India. Fluctuations in the exchange rates may have a serious impact on the revenues from our export business as a significant portion of our revenue comes from exports. The Company has not entered into any derivative instrument in order to hedge its foreign currency risks. Any appreciation of the INR against other currencies may lead to reduction in the realization of our revenues. Accordingly, volatility in the exchange rate would adversely affect the financial results of our Company.

The following table denotes the Standalone financial exposure of our Company

(Rs. in Lakhs)

Financial Exposure	December 31, 2021	March 31, 2021	March 31, 2020
Financial liabilities:			
USD Converted in Rupee	14,362.89	3,446.98	1,520.90
EURO Converted in Rupee	351.43	318.90	400.18
Net exposure	14,714.32	3,765.88	1,921.08

31. Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company.

As on December 31, 2021, our Company has outstanding long term borrowings of INR 12702.91 Lakhs (including current maturity amount) as well as working capital borrowings of INR 3109.72 Lakh from HDFC Bank Limited and vehicle loan outstanding of INR 314.75 lakhs from Axis Bank Limited. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the financial results of our Company.

32. Our Company has availed unsecured loans from our Directors, Promoters, their relatives and intercorporate loan that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, the result of our business operations and financial condition.

Our Company has availed unsecured loans aggregating to INR 6352.62 Lakh, as of December 31, 2021, from our Directors, Promoters, their relatives and inter corporate loan that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, the result of our business operations and financial condition. In the event that such loans are recalled by any of our Directors or other lenders, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. Such a scenario may adversely affect our business, prospects, the result of our business operations and financial condition. For further details please refer the section titled “Financial Information” beginning on page 88 of this Letter of Offer.

33. In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.

As on December 31, 2021, our Company’s total fund – based indebtedness (Secured + Unsecured) is INR 12702.91 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt – equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under – budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations.

For details of our indebtedness, please refer to the chapter titled – “Financial Statement” beginning on page 88 of this Letter of Offer.

34. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as natural disasters. Presently, we have obtained certain insurance policies. The said policies

insure stock, building, furniture, fittings, from earthquake, fire, shock, terrorism, etc. There are many events that could cause significant damages to our operations, or expose us to third - party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed.

Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

35. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.

As the issue size shall be less than ₹ 10,000 lakhs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency.

Our Board of Directors will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

For further details, please refer to the chapter titled – “Objects of the Issue” beginning on page 56 of this Letter of Offer.

36. We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “Industry Overview” of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

37. Our Company may not be successful in implementing its strategies, including developing technologically advanced products and increasing exports and expanding international operations, which could adversely affect our business, results of operations and future prospects

The success of our business depends largely on our ability to effectively implement our business strategies. Successful execution of our business strategies in the past may not be an assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of our customers.

We expect our strategies to place significant demands on our management and other resources. Our strategy of increasing capacity in our existing product portfolio may require substantial capital expenditure, which may necessitate incurring further indebtedness. Further, while we intend to capitalise on unutilised capacity at our manufacturing facilities to increase production of our current portfolio, there may not be a corresponding increase in the demand for such products. In addition, while we continue to pursue partnership opportunities and possibilities for inorganic growth, we may not be able to successfully integrate such partners and acquired entities into our business.

In order to achieve future growth, we may be required to develop new products, identify diverse customer base, accurately assess new markets, obtain sufficient financing for our expected capital expenditures, contain our input cost and fixed costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We may not be able to achieve growth in revenues and profits or maintain such rate of growth in the future. If we are unable to execute or manage our strategies effectively, our business and financial results will be adversely affected. Also, see “Our Business – Our key strategies” on page 77.

38. Damage to our brand and reputation or any of our customers’ brand and reputation could have a material adverse effect on our results of operations.

Our business depends to a significant extent on our customers’ trust in our brand and associated reputation as a reliable supplier, as well as in our ability to support our customers geographically and in our ability to meet our customers’ key performance targets. Our products are subject to limited warranty claims. We cannot assure you that we will be successful in maintaining or reducing the historical level of warranty claims or that claims in relation to our products will not increase significantly. Actual or alleged instances of inferior product quality or of damage caused or allegedly caused by our products including our aftermarket products, could damage our reputation and brand and could lead to new or existing customers becoming less willing to conduct business with us. In addition, events or allegations of malfunctioning products could lead to legal claims against us, and we could incur substantial legal fees and other costs in defending such legal claims. The materialization of any of these risks, alone or in combination, could damage our reputation and could have a material adverse effect on our business, financial condition and results of operations

39. We have, in the past, entered into certain transactions with related parties and may continue to do so in the future

Any related party transactions that are not on an arm’s length basis may adversely affect our business, results of operation and financial condition. We have, in the past, entered into certain transactions with related parties and may continue to do so in the future.

For further details, see “Financial Statements” on page 88. While we believe that all such transactions have been conducted on an arms - length basis, there can be no assurance that we would not have achieved more favourable commercial terms had such transactions not been entered into with related parties. Further, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

40. Our Promoters and Executive Directors have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative arrangements guarantees, repayments of amounts due or termination of the facilities.

Our Executive Directors Mr. Jagdish Prasad Agarwal and Mr. Kapil Agarwal have provided personal guarantees to the extent of Rs.7,900 Lakhs as on December 31, 2021 in relation to certain loan facilities availed by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders and as result may need to repay outstanding under such facilities or seek additional source of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial conditions.

41. Certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see “Related Party Transactions” and “Our Management” on pages 141 and 82 respectively.

42. Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.

As on the date of this Letter of Offer, we have 1 trademark Registered under the provisions of the Trade Marks Act, 1999 and have applied for one more trade mark. We cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

43. Our Director and Promoter is party to certain litigations, the outcome of which could adversely affect the reputation of the Company

Notices & Appeals pending before Tax authorities

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Jagdish Prasad Agarwal			
Income Tax	Interest vide demand reference no. 2019201040402224415T	1	1,45,480/-

There can be no assurance that the above case may be decided in favour of our Director and Promoter or that no further liability will arise out of the above proceedings and consequently it may divert the attention of our Director and Promoter and waste our corporate resources. If such claims are decided against our Director and Promoter it may suffer damage to our reputation, business which would adversely affect the trading price of our equity shares.

For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 212 of this Draft Letter of Offer

44. As on the date of this Letter of Offer, no investor complaints outstanding on SCORES.

As on the date of this Letter of Offer, one (1) investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES.

45. We are unable to trace certain corporate records pertaining to the build-up of Equity Shares and are unable to trace certain secretarial records pertaining to past years. We cannot assure you that our Company will not be subjected to any liability on account of such discrepancies.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Our Company is unable to trace certain secretarial forms viz. Form 32 for appointment of First Directors and Form 5 relating to the increase in share capital of the Company pertaining to F.Y. 1989-90, 1990-91, 1991-92, 1993-94 and 1994-95. While our Company believes that the secretarial forms were duly filed, and submitted to ROC. We have been unable to locate copies of these documents in our records or obtain copies of the same from the appropriate authorities. We cannot assure you that these documents will be available in the future or that we will not be subject to any penalties imposed by the competent authority in connection with these documents. As we continue to grow, there can be no assurance that such deficiencies in our internal controls will not arise, giving rise to recurrences of such discrepancies / errors that could subject our Company to the applicable consequences under the Companies Act, which could adversely affect our business and reputation.

46. Our Company was suspended by BSE Limited on 07.01.2002 and the suspension was revoked on May 25, 2009

Our Company was suspended from trading on BSE Limited vide notice dated 04.02.2002 due to Non Compliance of Listing Agreement Clause No.38 for payment of Annual Listing Fees to the Stock Exchange. The Company had paid Rs2,80,000 for revocation of suspension and the suspension was revoked vide Notice dated May19, 2009. We cannot assure that the Company shall not be suspended in future for any such non compliances with the SEBI (LODR), 2015 as amended from time to time, erstwhile Listing Agreement.

ISSUE SPECIFIC RISKS

47. 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 Promoter 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 Promoter 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 Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

48. 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. Renouncee(s) 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 Renouncee(s) 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.

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

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised

form only and the physical shareholders will not have the option of getting the allotment of Rights Equity Shares in physical form. 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).

50. Applicants to the 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 or financial condition or other events affecting the Applicant's decision to invest in the Rights 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 Rights 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.

51. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

- 52. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this 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 circulars dated January 22, 2020, May 6, 2020 and January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” beginning on page 228 of this 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 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.

- 53. The R - WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.**

In accordance with SEBI Relaxation Circulars, a separate R - WAP facility (accessible at www.linkintime.com), has been instituted for making an Application in this Issue by resident Investors (only in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Further, R - WAP is only an additional option and not a replacement of the ASBA process. On R - WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “Terms of the Issue” - Making of an Application through the Registrar’s Web - based Application Platform (“R - WAP”) process” beginning on page 228 of this Letter of Offer. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policies effectively to such payment mechanisms;
- keeping users’ data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R - WAP is a new facility which has been instituted due to challenges arising out of the COVID - 19 pandemic. We cannot assure you that R - WAP will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or may be rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R - WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R - WAP.

54. The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

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).

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long – term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 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.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on 20.01.2022 and 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 228 of this Letter of Offer.

SUMMARY OF THE ISSUE

Equity Shares proposed to be issued	[•]
Rights Entitlements	[•]
Record Date	[•]
Face value per Equity Share	₹ 10
Issue Price per Rights Equity Share	₹ [•]
Issue Size	Up to ₹ 4,800 lakhs* *Assuming full subscription
Equity Shares issued and subscribed prior to the Issue	34,46,325 equity shares of Rs.10 each
Equity Shares paid up prior to the Issue	34,46,325 equity shares of Rs.10 each
Equity Shares issued and subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]
Equity Shares paid - up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]
Security Codes	ISIN : INE883C01025 BSE : 523483 ISIN for Rights Entitlements : [•]
Use of Issue Proceeds	For details, see “Objects of the Issue” on Page 56
Terms of the Issue	For details, see “Terms of the Issue” on Page 228
Terms of Payment	The full amount of the Issue Price being ₹ [•] will be payable on application

GENERAL INFORMATION

Our Company was incorporated as “Pacific Granites Limited” on July 13, 1989, as a public limited company under the Companies Act, 1956, registered with the Registrar of Companies, Jaipur, Rajasthan. The name of our Company was changed to “Pacific Industries Limited” pursuant to which a fresh certificate of incorporation was issued on November 25, 1994. The registered office of our Company was shifted from the state of Rajasthan to the state of Karnataka pursuant to the order passed by the Hon’ble Company Law Board, New Delhi Bench on November 30, 2011.

REGISTERED OFFICE OF OUR COMPANY

Pacific Industries Limited

Survey No.13, N.H.48, Kempalinganhalli,
Nelamangala Taluka, Bangalore 562 123, Karnataka, India

Tel : 0807723004

Fax:080 7723005

Website: www.pacificindustriesltd.com

Email: pilnorth@pacificgranites.com; pacificindustries@rediffmail.com

Corporate Identification No.: L14101KA1989PLC062041

CORPORATE OFFICE OF OUR COMPANY

Pacific Industries Limited

Village Bedla P.O. Box 119 Udaipur 313001 (Rajasthan)

Tel: 02942440196/2440388/2440933/2440934

Fax: 0294 2440780

ADDRESS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies, Karnataka

E, Wing, 2nd Floor, Kendnya Sadan, Kormangala, Beugaluru, Karnataka 560 034

Our company registered with the Registrar of Company, Beugaluru, Karnataka which is situated at the following address.

BOARD OF DIRECTORS

Our Board comprises of:

Name Designation and Occupation	DIN	Address
Mr. Jagdish Prasad Agarwal Chairman and Managing Director Occupation: Service	00386183	19 - C, Old Fatehpura Udaipur 313001, Rajasthan, India
Mr. Kapil Agarwal Director & Chief Financial Officer Occupation: Service	00386298	19 - C, Old Fatehpura, Udaipur 313 001, Rajasthan, India
Mrs. Geetadevi Jagdish Agarwal Non-Executive Director Occupation: Business	00386331	19 - C, Old Fatehpura Udaipur – 313 001, Rajasthan, India
Mr. Vinod Choudhary Non-Executive Independent Director Occupation: Business	03390324	Ashirwad Complex, 3rd Floor, Flat No. 306, Dadda Dham Colony, Jhijhri Katni - Jabalpur Road, Kachhjiwan, Katni 483501 (MP)
Mr. Vikas Misra Non-Executive Independent Director Occupation: Service	08304606	Geetanjali Institute of Technical Studies, Airport Road, Dabok, Udaipur 313 001
Mr. Pradeep Kumar Jain Non-Executive Independent Director Occupation: Service	08303628	K-5, Gold Leaf Colony, Kota Bawari, Bhuwana, Udaipur 313 001

BRIEF PROFILE OF THE BOARD OF DIRECTORS

Please see “Our Management” on page 50 of this Letter of Offer.

COMPANY SECRETARY & COMPLIANCE OFFICER Mr. Sachin Shah Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313 004, (Rajasthan) Tel: +02942440196 Email: companysecretary@pacificindustriesltd.com, pacificinvestor@rediffmail.com	LEGAL ADVISORS TO THE ISSUE Chir Amrit Corporate LLP 6 th Floor, 'UniqueDestination', Opp. Times of India, Tonk Road, Gautam Nagar, Gandhi Nagar, Jaipur, Rajasthan 302 015 Tel: +91 141 4044500 Fax: +91 141 4044522 E-mail: harsha@chiramritlaw.com Contact Person: Advocate Harsha Totuka
--	---

LEAD MANAGER TO THE ISSUE Srujan Alpha Capital Advisors LLP 112A, 1 st floor, Arun Bazar, S.V. Road, Beside Bank of India, Malad (West), Mumbai 400 064 Tel : +91 22 40167322 E-mail : pil.rightsissue@srujanalpha.com Website : www.srujanalpha.com Contact Person: Mr. Jinesh Doshi SEBI Registration Number: INM000012829	STATUTORY AUDITORS OF OUR COMPANY Ravi Sharma & Co. Chartered Accountants 3580, Moti Singh Bhomiyaon Ka Rasta, 4 th Crossing, Johari Bazar, Bohraj Ka Darwaja, Jaipur 302 003 Tel: +91 9351258175 Firm Registration No: 015143C Email: caparasbhatia@gmail.com Contact Person: Mr. Paras Bhatia Peer Review Certificate No. : (Applied for renewal)
REGISTRAR TO THE ISSUE LINK IN TIME INDIA PRIVATE LIMITED C-101, First Floor, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Email: pacific.rights@linkintime.co.in Investorgrievance email : pacific.rights@linkintime.co.in Contact Person : Mr.Sumeet Deshpande Website : www.linkintime.co.in SEBI Registration Number: INR000004058	BANKERS TO THE ISSUE FIG - OPS Department, HDFC Bank Limited Lodha - I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai - 400042 Contact Person - Neerav Desai/ Eric Bacha/ Siddharth Jadhav / Sachin Gawade / Tushar Gavankar Phone: +91 022-30752914 / 28 / 29 Email ID – siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, neerav.desai@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre - Issue or post - Issue related matter. All grievances relating to the ASBA process or 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 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 R – WAP process). For details on the ASBA process and R - WAP process, see “Terms of the Issue” on page 228.

SELF - CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further,

for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above mentioned link or any such other website as may be prescribed by SEBI from time to time.

For further details on the ASBA process, please refer to details given in ASBA form and also see

“Terms of the Issue” on page 228 of this Letter of Offer.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre - Issue or post - Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” beginning on page 228.

ALLOCATION OF RESPONSIBILITIES

Since Alpha Advisor LLP is the sole Lead Manager to the Issue, and all the responsibilities pertaining to co-ordination and other activities, in relation to the Issue, shall be performed by them.

CREDIT RATING

This being a Rights Issue of Equity Shares, no credit rating is required.

DEBENTURE TRUSTEE

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

MONITORING AGENCY

Since the size of the Issue is less than INR 10,000 Lakhs, our Company is not required to appoint a monitoring agency in relation to this Issue.

APPRAISING AGENCY

The objects of this issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

UNDERWRITING

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

EXPERTS

Our Company has received a written consent from M/s. Ravi Sharma & Company, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in respect of their report dated 04.03.2022 on the ‘Statement of Possible Special Tax Benefits’ included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. However, they should not be construed as “expert” as defined under U.S. Securities Act, 1933.

MINIMUM SUBSCRIPTION

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

FILING

SEBI (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten crores to Fifty crores. Since the size of this Issue falls under the threshold, the Letter of Offer had been filed with the Stock Exchange and submitted with SEBI for information and dissemination.

ISSUE SCHEDULE

Issue Opening Date	[•]
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 the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “Terms of the Issue” beginning on page 228.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid – up share capital after the Issue, are set forth below:

(in ₹ lakhs, except share data)

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	2,50,00,000 Equity Shares of ₹ 10 each	2500.00	[•]
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	3,44,63,250 Equity Shares of ₹ 10 each	344.63	[•]
C.	Present Issue in terms of this Letter of Offer¹		
	Up to [•] Equity Shares, each at a premium of ₹ [•] per Equity Share, i.e., at a price of ₹ [•] per Equity Share	[•]	[•]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]	[•]
	[•] Equity Shares of face value of ₹ 10 each	[•]	[•]
E.	Securities Premium Account		
	Before the Issue	[•]	[•]
	After the Issue ²	[•]	[•]

¹ The Issue has been authorised by the Board of Directors of our Company under Section 62 and other provisions of the Companies Act, 2013 at their meeting held on 20.01.2022

² Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure

1. Details of the outstanding instruments:

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares

2. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- (i) The shareholding pattern of our Company, as on December 31, 2021, can be accessed on the website of the BSE here <https://www.bseindia.com/stock-share-price/pacific-industries-ltd/pacifici/523483/qtrid/112.00/shareholding-pattern/Dec-2021/>

- (ii) The statement showing holding of Equity Shares of persons belonging to the category “Promoters and Promoter Group” including the details of lock - in, pledge of and encumbrance thereon, as on December 31, 2021, can be accessed on the website of the BSE <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=523483&qtrid=112.00&QtrName=Dec-21;>
 - (iii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE here <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=523483&qtrid=112.00&QtrName=Dec-21;>
3. As on the date of this Letter of Offer, there are no specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Letter of Offer.

Intention and extent of participation by our Promoters

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated 28.02.2022 (the “Subscription Letters”) indicated their intention to: subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

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. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
- 5. All Equity Shares are fully paid – up as on the date of this Letter of Offer and the Equity Shares Allotted pursuant to the Issue shall be fully paid - up. For details on the terms of this Issue, see “Terms of the Issue” beginning on page 228 of this Letter of Offer.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Repayment of Unsecured Loan availed from the related party;
2. To meet working capital requirements of the Company
3. Issue Expenses

The objects clause of our Memorandum of Association enables us to undertake our existing activities. The fund requirement and deployment are based on internal management estimates and have not been appraised by bank. Further, the same is based on our current business plan. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may change.

Issue proceeds

The details of the Issue Proceeds are set forth in the table below:

(in ₹ lakhs)

Particulars	Amount
Gross proceeds from the Issue*	4,800.00
Less : Estimated Issue expenses	(55.00)
Net proceeds	4745.00

* Assuming full subscription and Allotment of the Rights Equity Shares.

Requirement of funds and utilisation of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the table below:

(in ₹ lakhs)

Particulars	Amount
Repayment of Unsecured Loan availed from the related party*	2,300
To meet working capital requirements of the Company**	2,445
Issue Expenses	55
Total Net proceeds#	4,800.00

*Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

**Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

Assuming full subscription and Allotment of the Rights Equity Shares

In case of variations in the actual utilisation of funds earmarked for the purposes set forth below, the requirements of Regulation 32 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be complied with.

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

1. Repayment of loans availed from the related party (deployed for the purpose of expansion of Quartz project)

Brief about the business of the Company and Expansion of Quartz project

Our Company is presently engaged in production and export of polished granites slabs, cut-to-size polished granite tiles, polished marble slabs, polished natural stones and quartz slabs. It also trades and export in granite / marble slabs & tiles, rough granite / marble blocks, sandstone, slate stone and all other kinds of stone.

Our Company in the year 2018-2019 had ventured into Quartz business in the brand name of 'TANNI QUARTZ'. Quartz is one of the hardest natural materials on earth and appears similar to that of granite. The key distinguishing factors of Quartz is that they are naturally scratch and stain resistant and non-porous. Quartz surfaces are produced by Pacific Industries Limited by combining pure natural quartz, resin and other raw materials that are extraordinarily hard and resilient. These characteristics combine to create an ideal surface for kitchen countertops, bathrooms and other interior vertical applications. Demand for quartz has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties

Currently our Company is producing the Quartz slabs from two press-lines and one calibration cum polish line. The demand for Super Jumbo Size specially from United States of America (USA) has increased and looking to the current market trend, production of more Super Jumbo slabs are required to meet the demand of the Clients in both Mono Color, Multicolor and Marble based designs. With existing two press-lines and one calibration cum polish line, our Company is finding it difficult to manage timely production due to multiple design order execution and hence our Company has undertaken the expansion in Quartz project by installing third Press-line and second calibration cum press-line. With the present expansion plans, our Company is sure to meet the enhanced demand for Super Jumbo slabs in both Mono Color, Multicolor and Marble based designs from the Clients.

Loan availed from the Related Party for expansion of Quartz Project

Our Company has availed the unsecured loan from one of the Related Party for an amount of ₹ 2,300 lakhs for the purpose of deployment of the funds in expansion of Quartz project (hereinafter referred to as the project).

The principle terms of the loan are as under;

Sr. No.	Particulars	
1.	Name of the Lender	Gist Minerals Technologies Limited
2.	Amount of Loan	₹ 2,300 Lakhs*
3.	Tenure	2 years
4.	Nature of Loan	Unsecured Inter-corporate Loan
5.	Rate of Interest	6.00% p.a.

**The Company had availed total of ₹ 2,300 Lakhs loan from Gist Minerals Technologies Limited is and deployed the same specifically for the purpose of expansion of Quartz project pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.*

The aforesaid loan has been availed and utilized completely towards expansion of Quartz Project. The proceeds to this Issue shall be utilized for the purpose of repayment of the aforesaid loan.

Details of Gist Minerals Technologies Limited (GMTL)

Gist Minerals Technologies Limited (GMTL) was incorporated on November 7, 2016 under the Companies Act, 1956 with the Registrar of Companies, Mumbai. The registered office of the Company was shifted from the State of Maharashtra to the State of Karnataka pursuant to the order passed by the Regional Director on May 28, 2019. Presently, the registered office of the Company is situated at Survey No.13, N. H. 48, Kempalinganhalli, Nelamangala Talukak, Bangalore 562 123. The CIN of the company is U14290KA2016PLC126434.

Gist Minerals Technologies Limited became the subsidiary of the issuer w. e. f November 7, 2016. The main object of GMTL as per Memorandum of Association is to carry out the business of crushing, quartz, mining, processing, mixing, blending, trading, quarry, supplying, manufacture, fabricate, design, engrave, assemble, refine, treat, cut, grind, saw, dress, finish, polish, glaze, wash, screen, acidise, wax and prepare for market , import, export, purchase , sell or act as agent, stockiest, distributors, suppliers and dealers in all type of stones, stone grits, all kind of building materials, minerals and mineral products including ramming mass powder and to manufacture, fabricate, design, engrave, assemble, refine, blasting, treat, cut, mind, crush, grind, saw, dress, finish, polish, glaze, process, wash, screen, acidise, wax and prepare for market , import, export, purchase , sell or act as agent, stockiest, distributors, suppliers and dealers in all kind of tiles, block and slabs of granite, marble, agglomerated, marble all product of cultured marble, quartz, precious and semi-precious stones including artificial stones, laterites, marble chips, tiles granite, latrines, limestone, feldspar, corundum, quartz, artificial stones, lime stones, soap stones, stale stones, sand stones, silica stones, building stones any waste or by products thereof, and any interest therein and to explore, work, develop, and turn to account the same.

The List of Directors of Gist Minerals Technologies Limited is as under:

Name of Directors	Address of Directors	Designation	Date of Appointment
Jagdish Prasad Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Ankit Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Shruti Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Pradeep Kumar Jain	K-5, Gold Leaf Colony, Kota, Bawari, Bhuwana, Udaipur - 313001 (Raj.)	Independent Director	25.6.2021

The Shareholding pattern of Gist Minerals Technologies Limited is as under:

Name of Shareholder	No. of Shares	% of Holding
Pacific Industries Limited	99,994	99.99%
Kapil Agarwal*	1	0.0001%
Ankit Agarwal*	1	0.0001%
Geeta Devi Agarwal*	1	0.0001%
Kanika Agarwal*	1	0.0001%
Shruti Agarwal*	1	0.0001%
Narayan Prasad Agarwal*	1	0.0001%
TOTAL	10,00,000	100%

* nominee on behalf of Pacific Industries Limited

Audit Committee Approval

The Intercompany loan obtained from Gist Minerals Technologies Limited has been approved by the Audit Committee along with its terms in their meeting held on November 12, 2020.

Relationship of GMTL with our Company / Promoters / Directors

Gist Minerals Technologies Limited is a wholly owned subsidiary of the Issuer. Mr. Pradeep Kumar Jain, Non – executive Independent Director of the Company is also appointed as an Independent Director in GMTL.

Source of Funds of GMTL and its utilization by our Company

The Inter Corporate Loan of ₹ 2300 lakhs have been provided by GMTL from their owned funds as per the certificate dated 04.03.2022 received from M/s. Bapana and Company, Chartered Accountants. Our Company has utilized an amount of ₹ 2,300 lakhs up to December 31, 2021 for the purpose of expansion of Quartz project. Total amount of ₹ 3445.10 lakhs including interest have been booked in the books of our Company till December 31, 2021.

The comprehensive details of the cost of expansion of Quartz project are detailed below;

Details of expansion of Quartz project (The Project)

Total project Cost*

Sr. No.	Particulars	Amount (in lakhs)
1.	Land Development Charges	136.70
2.	Imported Machinery	1771.74
3.	Indigenous Machinery & Misc. Fixed Assets	686.49
4.	Foundation and structure for Machinery	475.86
5.	Electrical installations	272.58
6.	Interest during project commissioning period	101.73
	TOTAL	3445.10

*As per Management Estimates and actual expenses incurred pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

Means of Finance for the Project

Our Company intends to finance the total requirement for the expansion quartz project as below (the Project is completed and the cost has already been incurred):

(in lakhs)

Sr. No.	Particulars	Amount
1.	Proceeds from the Issue (loan already obtained to be repaid from the proceeds of the Issue)	2,300.00
2.	Secured Loans from Bank	1,000.00
3.	Internal Accruals*	145.10

**The Project is in trail run and any further increase in project cost shall be met out of surplus available with the company or increased internal accruals*

The above fund requirements are based on internal management estimates, and purchase orders placed and expenditure already incurred, and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and business needs, and are subject to revisions in light of changes in business, strategy or external circumstances which may not be in our control. For further details, see the section titled "Risk Factors" on page 25.

2. To meet the working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from various banks facilities and internal accruals. As at December 31, 2021, the aggregate amounts outstanding under the fund based and non - fund based working capital facilities of our Company are ₹ 7,956 lakhs and ₹ 1,647 lakhs, respectively.

Our Company requires additional working capital for funding its working capital requirements in Fiscal 2021.

Basis of estimation of working capital requirement

The details of our Company's working capital as at December 31, 2021, March 31, 2021 and March 31, 2020, and source of funding of the same, on a standalone basis, are provided in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Amount (as at Dec. 31, 2021) Unaudited	Amount (as at March 31, 2021) Unaudited	Amount (as at March 31, 2020) Unaudited
	Current Assets			
1.	Inventories	7,905.94	6,669.52	5,584.66
2.	Financial Assets			
	(i) Investments	-	-	-
	(ii) Trade receivables	4,457.95	4,129.34	2,845.97
	(iii) Cash and Cash equivalent	426.84	913.57	138.33
	(iv) Bank balance excluding (iii) above	2,093.04	1,999.17	756.58
	(v) Loans	193.10	170.00	986.66
	(vi) Others	1.76	3.28	7.07
3.	Other Current Assets	2,868.82	2,401.29	1,888.39
	Total Current Assets (A)	17,947.45	16,286.16	12,207.66
	Current Liabilities			
1.	Financial Liabilities			
	(i) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	-	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,601.34	3,669.41	2,041.44
	(ii) Others	394.05	359.94	165.00
2.	Other Current Liabilities	1,504.88	1,043.87	392.63
3.	Provisions	325.25	159.23	215.55
	Total Current Liabilities (B)	6,825.52	5,232.45	2,814.62
	Working capital requirements (A - B) Met from short term borrowings and internal accruals	11,121.93	11,053.71	9,393.04

* Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

The details of our Company's expected working capital requirements for Fiscal 2022, as approved by the Board of the Company, and funding of the same, on a standalone basis, are as provided in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Amount (as at March, 2022 - Projected)
	Current Assets	
1.	Inventories	7,696.06
2.	Financial Assets	
	(vii) Investments	
	(viii) Trade receivables	4,672.26
	(ix) Cash and Cash equivalent	922.70
	(x) Bank balance excluding (iii) above	3,535.04
	(xi) Loans	178.50
	(xii) Others	-
3.	Other Current Assets	2,009.34
	Total Current Assets (A)	19,013.90
	Current Liabilities	
1.	Financial Liabilities	
	(iii) Trade payables	
	- Total outstanding dues of micro enterprises and small enterprises	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,293.35
	(iv) Others	377.94
2.	Other Current Liabilities	886.84
3.	Provisions	625.95
	Total Current Liabilities (B)	4,184.08
	Working capital requirements (A - B)	14,829.82
	Means of Finance	
1.	Working Capital Funding from Bank	3,300.00
2.	Proceeds from the Issue #	2,400.00
3.	Internal Accruals	6,906.13
4.	Loan From Others	2,223.69
	Total means of Finance	14,829.82

*Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

Assuming full subscription and Allotment of the Rights Equity Shares.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize part of an amount i.e. ₹ 2,400.00 lakhs from the Net Proceeds towards funding the working capital requirements of the Company.

Assumptions for working capital requirements*

Sr. No.	Particulars	No. of Days**			
		2020 (Actual)	2021 (Actual)	Nine months ended Dec. 31, 2021 (Actual)	2022 (Projected)
1.	Receivables (A)	107	85	36	66
2.	Inventory (B)	219	157	74	133
3.	Trade payables (C)	112	114	67	44
4.	Working Capital Cycle (A+B-C)	213	129	43	155

*Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

** Rounded off to the nearest number of days

Justification:

Sr. No.	Particulars	Assumption
1.	Receivables	We had trade receivables of 107 days, 85 days, and 36 days of revenue from operations at the end of Fiscal 2020, Fiscal 2021, and the nine months ended December 31, 2021, respectively. We have assumed trade receivables of 66 days of revenue from operations at the end of Fiscal 2022.
2.	Inventory	Inventory days were 219 days, 157 days, and 74 days of cost of goods sold for Fiscal 2020, Fiscal 2021, and the nine months ended December 31, 2021, respectively. We have assumed inventory to be 133 days of cost of goods sold in Fiscal 2022.
3.	Trade payables	Trade payable days were 112 days, 114 days, and 67 days of cost of material consumed for Fiscal 2020, Fiscal 2021, and the nine months ended December 31 2021, respectively. We have assumed trade payables to be 44 days of cost of material consumed in Fiscal 2022.
4.	Working capital Cycle	The working capital cycle of our Company was at 213 days, 129 day, and 43 days, for Fiscal 2020, 2021, and the Nine Months ended December 31, 2021, respectively. Our Company expects the working capital cycle to be around 155 days in Fiscal 2022.

*Pursuant to the certificate dated 04.03.2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

The total working capital requirement as per above working shall be ₹ 14,829.82 lakhs. However, the management of the Company as per Resolution of Board of Directors dated 20.01.2022 has envisaged ₹ 2,400 lakhs to be earmarked towards Working capital requirements from the proceeds of the Rights Issue.

The aforementioned working capital estimates and projections have been approved by the Board through a resolution dated 20.01.2022.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize part amount ₹ 2,400.00 lakhs of the Net Proceeds in Fiscal 2022 towards our working capital requirements. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals and short term borrowings.

Schedule of implementation and deployment of funds

Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds #
		Fiscal 2022
Repayment of Unsecured Loan availed from the related party;	2,300	2,300
To meet the working capital requirements of our Company	2,445	2,445
TOTAL	4,745	4,745

The above stated proposed deployment of funds from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. For further details, see “Risk Factors” on page 25. Our management, in response to the competitive and dynamic nature of our industry, as well as on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations, will have the discretion to revise our 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. 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. 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 subsequent Fiscals.

3. Issue expenses

The total expenses of this Issue are estimated to be ₹ 55.00 lakhs. The break-up of the Issue expenses is as follows:

(₹ in lakhs)

Sr. No.	Particulars	Amount [^]	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
1.	Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, selling commission, registrar fees and expenses)	18.00	32.73	0.38%
2.	Fee payable to regulators, including depositories and Stock Exchanges	16.00	29.09	0.3%
3.	Advertising	5.00	9.09	0.10%
4.	Printing, stationary and Distribution expenses	10.00	18.18	0.21%
5.	Other expenses (including miscellaneous expenses and stamp duty)	6.00	10.91	0.13%
	TOTAL	55.00	100.00	1.15%

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be paid out of internal accruals of the Company.*

[^] Excluding taxes

Assuming full subscription

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be permitted under SEBI (ICDR) Regulations or as may be allowed by SEBI from time to time.

Monitoring utilization of funds from the Issue

Since the size of the Issue does not exceed ₹ 10,000.00 lakhs, our Company is not required to appoint a monitoring agency.

Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilized and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on a quarterly basis, submit to the Stock Exchanges, the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before our Audit Committee for review, before its submission to Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the full money raised through this Issue has been fully utilized. The statement shall be certified by the Statutory Auditors.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

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

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To
The Board of Directors
Pacific Industries Limited
Survey No.13, N.H.48, Kempalinganhalli,
Nelamangala Taluka
Bangalore 562123

Sub: Statement of possible special direct tax benefits available to Pacific Industries Limited ("the Company") and its shareholders ("the Statement")

Dear Sirs,

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

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

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

1. the Company or its shareholders will continue to obtain these benefits in future; or
2. the conditions prescribed for availing the benefits, where applicable have been/would be met.

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

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

For Ravi Sharma & Co.
Chartered Accountants
FRN-015143C

(Paras Bhatia)
Partner
M No. 418196

Place: Jaipur
Date: 04.03.2022

ANNEXURE 'A' - STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY & ITS SHAREHOLDER UNDER THE INCOME TAX ACT, 1961 AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA

Special Tax Benefits

I. Benefits available to the Company

There are no special tax benefits available to the Company.

II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

**For Ravi Sharma & Co.
Chartered Accountants
FRN-015143C**

**(Paras Bhatia)
Partner
M No. 418196**

**Place: Jaipur
Date: 04.03.2022**

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

GRANITE INDUSTRY OVERVIEW

Granite is one of the oldest building materials in the world and due to its uniqueness & strength, it is one of the most sought after stone. It has been used for thousands of years by humans in construction. Over the years with the invention of modern tools for molding, grinding and polishing use of granite has found many other applications. Granite stones due to its mirror like polish, high compressive strength, longevity and aesthetics finds applications inside and outside buildings. Its usage in kitchen countertop, bathroom and stairs has significantly increased.

Exporter countries

The production of granite is concentrated among few countries with granite reserves, which occur naturally. China, Brazil, India, Saudi Arabia and Italy are top granite producing countries in world. USA is largest consumer of granite stone and its demand is largely fulfilled by imports from Brazil, China and India. Brazil is the largest exporter of granite to USA and accounts for over 50% of the imports into USA. Brazil has competitive advantage due to its proximity to USA and a depreciated currency making their stone much more competitive.

Unique Features

Natural stones are unique and stone produced from every quarry is different and cannot be reproduced. Granite is natural stone, so no two pieces are exactly alike making each granite countertop, wall and floor different. The shades and design keep varying with every quarry and block. Granite colour which can be found in Indian quarries cannot be found in anywhere else in world. Customer who wants certain colours and shade of India has to source it from India only. Similarly, the colours available in Brazil are unique to them.

Indian Landscape

India has huge granite reserves and accounts for around 20% of world's granite reserves. India has a wide variety of granite reserves and has over 200 shades. India has huge range of colors which are very popular across the world. India has over 7% of Black granite reserves which has a huge demand globally.

In India granite is classified as a Minor Mineral under the MMDR Act 1957 and its reserves and leasing regulations are governed by respective states Governments. Indian granite mining has suffered from the bane of illegal mining as state Governments used their discretion to allot quarries. Subsequently a large number of these quarries were shut down due to irregularities. The Indian granite processors had to face challenges of raw material shortage. In addition crackdown on granite quarries lacking environmental clearance (EC) aggravated the problem of raw material shortage. In Tamil Nadu and Karnataka a large number of quarries were shut down due to lack of Environment clearance (EC). Rules for EC are very unclear and were used by quarry owners to suit their needs, resulting in illegal mining. Granite processors in Tamil Nadu and Karnataka have been forced to source granite block from other states and other countries. Sourcing raw blocks from other state has increased their transportation cost and impacted their competitiveness in the international markets. The processors in South India now operate at a low capacity utilization due to non-availability of raw material and high transportation costs.

ENGINEERED QUARTZ INDUSTRY OVERVIEW

Engineered quartz (not to be confused with Quartzite) is a manmade product created mostly from natural materials. It's made of 90 to 94 percent ground quartz and 6 to 10 percent resins and pigments that are combined into durable and nonporous slabs.

Engineered quartz possesses a number of characteristics that are appealing to consumers. In fact, many of these qualities are used as selling points for the material.

Being a man-made material, quartz (the surface) can be fashioned to coordinate with just about any color. This means that engineered quartz is available in a wide array of colors. Additionally, visual texture can be added to the slabs, making them resemble natural stone. An important trait of engineered quartz is it's a very hard material unlike Marbles, Solid Surface & Laminates and hence provide a very durable and long-lasting surface.

Another prominent trait of engineered quartz stone is that it is non-porous. Unlike natural stone which has pores and allows the material to absorb liquid that come into contact with the surface, quartz does not absorb liquids.

Since centuries natural stones such as granites, marbles have been used in residential or commercial area for its beauty and elegance. However, even though it is strong, elegant, durable and heat resistant, it has some characteristics which don't make it a "perfect surface solution".

Below are some of the key dis-advantages for using natural stone...

- They are having small pores and hence they are not stain resistant if they are not properly sealed or resealed from time to time.
- It contains small pits and natural fractures that may open up to be cracks over a period of time.
- Some Stones, specially marble, are soft and are prone to scratches in everyday use.

Besides, they are subject to tone/ shade deviation and it is not easy to achieve smooth transition in the range of shades when it is used in large floors/areas.



The journey of innovation lead to Engineering Quartz Slab as an alternative to the natural products which are also durable but with some less desirable characteristics. Where materials like granite once reigned supreme, quartz is now the countertop style of choice for most homeowners designing their dream kitchen. And while quartz slab comes in a range of beautiful finishes and colors, this countertop material's newfound popularity isn't just about looks. Quartz also offers a number of significant benefits for homeowners that make the kitchen a more convenient place to cook, eat, and gather with family and friends. Below are the reasons to consider choosing quartz slab countertops over natural stone.

Tough and Durable Surface

The quartz engineered stone counters are specifically designed with toughness in mind. Quartz Slabs resists stains and scratches and requires no sealants or waxes, making it an ideal choice for busy families. Compared to granite, which usually requires a fresh protective top coat about once a year, quartz slab countertops are practically maintenance-free.

Made From a Natural Product

Many homeowners love that quartz slab countertops are made using dominantly natural materials. Unlike a natural stone slab that has been mined, a quartz slab is engineered in a factory. Natural quartz crystals are mixed with polyester resins and placed under intense heat and pressure, which bind the materials together to form a solid slab.

During the mixing process, pigments are usually added to create attractive patterns throughout the quartz slab. In some cases, metallic flakes or recycled glass are also added to create a certain look or style.

Antimicrobial Properties

Quartz countertops are non-porous due to the polyester resins which bind the ground quartz crystals together. This ensures that bacteria, mold, mildew, and other odor- and stain-causing growth can't permeate the surface of your counters. Essentially, the im-permeability of the quartz slab makes it easier to keep it clean and encourages more sanitary conditions in your kitchen. You also don't have to stress about immediately cleaning up spills since the countertops won't be permeated by any liquids or foods.

Perfect for Designers

Designers love quartz slab because it has such a stylish and sleek look. For exceptionally large countertops, jumbo slabs can be ordered. But even if you need to combine multiple standard slabs, which typically measure about 120 by 60 inches, the finished look usually appears quite seamless. Because they are slightly flexible, quartz countertops are less likely to chip when being cropped to fit a space.

The wide range of colors, patterns, and finishes is another reason that quartz slab is so design-friendly. You can search through hundreds of different flecked and swirled styles to find something you love in a color scheme that matches your kitchen design. And though quartz was once only offered in high-shine polished finish, you can now choose from honed, embossed, or sandblasted options as well.

You can obtain quartz slab countertops in just about any color or style you want, whether it's a bold, bright hue, a shimmering surface, a marble-like look, or a terrazzo effect. The ability to incorporate unique materials into the quartz and resin mixture as each slab is formed can also create an attractive, three-dimensional look that is missing from countertop surfaces like laminate.

Little to No Imperfections

Unlike natural stone, quartz countertops are manufactured in a controlled setting. The ground quartz crystals are carefully mixed with just the right amount of resin, pigments, and other materials to create a strong and stylish countertop. It's sometimes even made to order if a custom shape is required for fitting into a specific kitchen.

All of these meticulous steps along the way result in a countertop material that's practically flawless. The lack of imperfections is a major benefit for homeowners worried that their countertops will come with an odd pattern or a chipped edge. In short, quartz offers the high quality and luxurious look of natural stone without many of its biggest drawbacks.

Because quartz is made to have little to no imperfections, it's also less wasteful compared to natural stone countertops. The predictable nature of quartz slab fabrication means that less materials need to be scrapped due to flaws, breakage, and other issues.

Durable & Reasonably priced

Their resistance to stains and scratching help them to continue looking attractive for many years. When it comes to price, quartz is around the same cost per square foot as granite. Quartz slab countertops may have taken the world of home design by storm in recent years considering the price, durability, and style of quartz compared to other countertop materials.

Popular Applications

The most common areas of use for quartz countertops are budget apartment buildings, budget hotels, and senior housing. Most developers want an inexpensive alternative to relative material stones, such as marble or granite for countertops. Primarily, the quartz product is used on countertops, but has other uses as well.

Quartz can be featured on walls, custom tabletops, and used for backsplashes, leaving the applications of quartz within the realm of interior design to be endless. When looking for an accent wall or unique addition to a home, apartment, or hotel, quartz remains a solid choice if the focus is on affordability, upkeep, and customization. These various applications have the ability to be altered to compliment the color scheme and chosen look for the space.

Demand of Quartz

Demand for engineered quartz surface has been continuously growing due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties compared to other natural stones. The visual appearance of quartz surface has improved from a monochromatic surface to a surface that imitates natural stone patterns.

Quartz surface products are primarily used as worktops in kitchens and bath and also in certain vertical applications both in residential and commercial interior space. As a result, growth of this sector is heavily dependent on new construction, renovation and remodelling.

THE COUNTERTOP MARKET OVERVIEW

A countertop is a raised platform with a flat surface, and is used in kitchens, bathrooms, laboratories, and other spaces.

Both the granite and engineered stone (Quartz surfaces) are primarily used as a countertops

Over the last couple of years, the global countertop market has grown rapidly owing to its demand in residential as well as commercial buildings.

Countertops have evolved from being basic platforms made of concrete to multi-purpose platforms that can be fitted over cabinets or other furniture. Owing to its expansive utility, the global market for countertops is projected to earn voluminous revenues in the years to come.

Boosted by these favourable factors, the global countertop market is expected to reach USD 42.1 billion by 2024, exhibiting a CAGR of 6%, from USD 31.4 billion in 2019. In terms of volume, the demand for countertops in the US market is likely to grow at a CAGR of 2.8% to touch 932 million square feet by 2024, from 810.4 million square feet in 2019. The demand for engineered quartz countertops is also expected to rise 6.9% per year, to touch 230 million square feet by 2024.

Factors that are likely to drive growth of the engineered stone countertop market are:

- Rise in average share of area for kitchens and bathrooms in new housing
- Growing investments in home renovation
- Rising preference for costly, high-end countertop materials such as natural and engineered stones.
- Shifting demand from traditional laminate products
- Growing preference for aesthetically appealing alternatives to laminate
- Growing consumer preference for surfaces similar to natural stone

Product category wise Countertop Demand

Expected CAGR growth of various product categories used as counter top for the period 2019-2024 is as follows:

Laminate	1.2%
Granite	4.9%
Marble & other natural stone	5.8%
Engineered Stone	9.1%
Solid surface & other cast polymers	4.6%
Tile	3.8%
Other materials	8.4%

** Source: The Freedonia (group)*

Countertop Demand by market segment (Expected CAGR growth for the period 2019 to 2024)

Overall Residential	6.2%
New Residential construction	5.4%
Remodelling	6.4%
Overall Commercial	4.1%
New commercial construction	4.6%
Remodelling	3.9%

** Source: The Freedonia (group)*

The demand for kitchen countertop constitutes the highest share of total countertop demand and it is likely to grow at a CAGR of 6.2% to reach a market size of USD 25.6 billion by 2024, from USD 18.9 billion in 2019. Rising popularity of engineered countertops in the bathroom vanity market proved to be a major impetus for the quartz countertop industry and it is likely to drive growth in the near future. The bathroom accessories market is poised to grow to USD 5.63 billion between 2020 and 2024, progressing at a CAGR of over 5%. Growing awareness about hygiene has encouraged consumers to invest more in various bathroom accessories and this is likely to drive the growth of this segment, which in turn is expected to augur well for the countertop industry.

According to Freedonia's Global Countertops 2019 Report, demand in the global market for countertops is estimated at nearly 500 million meters square in 2020 and is expected to reach 540 million meters square by 2023 with a growth rate of 2.6% per annum during this period. This forecast takes into account many factors such as increasing income leading to increased construction, home repairs demand; increased government budget for renovation projects that use surface materials; and the increased demand for non-residential projects such as hotels, schools, hospitals, etc., especially in the Asia Pacific. The report suggests that there is a strong shift from the use of traditional materials such as laminated wood, synthetic resin to natural stone and quartz surface products because of their durability and versatile design.

MARBLE INDUSTRY OVERVIEW

Marble is a metamorphic rock that forms when limestone is subjected to the heat and pressure of metamorphism. It is composed primarily of the mineral calcite (CaCO_3) and usually contains other minerals, such as clay minerals, micas, quartz, pyrite, iron oxides, and graphite. The marble market is segmented by color, application, and geography. By color, the market is segmented into White, Black, Yellow, Red, and others. By application, the market is segmented into Building and Decoration, Statues and Monuments, Furniture, and others.

Common uses

Marble is widely used in the building and construction industry for decorative and structural purposes, ranging from outdoor sculptures to walls, veneers, flooring, ornamental features, stairways and walkways. Marble finds its application in interior and exterior wall cladding, interior and exterior paving, fireplace facing and hearth, and novelty items.

Marble has become ever more popular for different applications, from use in large-scale construction projects to small do-it-yourself home renovations. In addition to traditional markets already accustomed to using marble, new markets in the Middle-East and Southeast Asia are now increasingly aware of the benefits of marble.

Growth Drivers

The rising building industry is expected to drive the marble consumption in building and decoration application through the years to come. The global construction industry is expected to reach USD 8 trillion by 2030, primarily driven by countries, such as India, China, and the United States.

China is in the midst of a construction mega-boom. The country has the largest building market in the world, making up 20% of all construction investment globally.

Although construction activities in 2020 witnessed a temporary setback due to COVID-19's impact, all the aforementioned developments are expected to drive the demand for marble in the construction industry through the years to come.

Asia-Pacific is expected to be the dominating and fastest-growing market over the forecast period, owing to increasing government investment in building and construction industry in the region.

Indian Landscape

In India, the growing real estate business, which is mainly focused on the residential sector and commercial places, is key for the sector's growth. The growing individual townships are driving the sector.

The demand for residential housing has been increasing in cities, such as Delhi-NCR, Mumbai, Chennai, Hyderabad, Bengaluru, and Ahmedabad, due to the migration of people from rural areas to urban in search of jobs, higher education, and better life.

Demand for residential housing in India has rushed due to increased urbanization and rising household income. Also, the Indian government has allowed FDI of up to 100% for settlement development and townships projects. This, in turn, is projected to increase the residential housing construction in the country.

Hence, all such market trends are expected to drive the demand for the marble market in the region, in coming years.

Market size

The global marble production value will increase to 64 Billion USD in 2023, from 52 Billion USD in 2016. It is estimated that the global marble demand will develop with an average growth rate of around 3.01% in terms of revenue from 2106 to 2023.

The largest consumption area of marble is Europe, which accounted for 29.05% of world marble consumption in 2016. The consumption of marble in USA, India and China are also considerable.

OUR BUSINESS

Some of the information in this section, including information with respect to our business 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 Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with the investment in the Equity Shares, you should read "Risk Factors" on Page 25, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages 88 and 202, respectively, 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 Limited Review Unaudited Financial Results and Audited Financial Statements.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Letter of Offer, all references to "we", "us", "our" and "our Company" are for Pacific Industries Limited as the case may be

BUSINESS OVERVIEW

Pacific Industries Limited was established in the year 1989 by its promoter Shri J P Agarwal. The Company had started its business in the field of Granite mining and Granite Processing with gang saw and polishing machines at Udaipur, Rajasthan. Thereafter the Company had set up a new granite processing plant at Bangalore, Karnataka in the year 1995. Both the Udaipur and Bangalore units have been operating as a 100% Export Oriented Unit since inception.

OUR PRODUCTS & SERVICES

Traditionally the Company was engaged in the field of processing and trading of natural stones. Over the years granite constituted the major product for the Company followed by marble and other natural stones. However, now in the recent years the market of Natural Stone is shifting to man-made surfaces viz. tiles and quartz slabs, due to scalability of product's supplies and sustainability of those manmade product is also improved to the scale of natural stones. Identifying this opportunity, the Company ventured into this product and has been producing and selling Quartz slabs since 2019.

The major source of revenue continues to be sale of natural stones and man-made surfaces. The Company had established its Quartz Slab processing plant in the year 2019 to cater the existing customers with different needs and new customers as well. In the year 2020, the Company had successfully operated the Quartz Slab Processing plant at almost full capacity. Substantial part of the produce of the Company is exported mainly to the United States of America.

(₹ in Lakhs)

Particulars	Nine month ended on Dec 31, 2021 (Standalone)		Nine month ended on Dec 31, 2020 (Standalone)		Fiscal 2021 (Standalone)		Fiscal 2020 (Standalone)	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue form Operations	22,781.96	99%	10,742.11	98%	17,675.26	97%	9,719.16	93%
Other Income	341.79	1%	196.79	2%	499.24	3%	709.24	7%
Total Revenue	23,123.75	100%	10,938.90	100%	18,174.50	100%	10,428.40	100%
Cost of Goods Sold	17,187.51	74%	5,342.02	49%	8,342.62	46%	4,877.65	47%
Manufacturing exp	669.46	3%	1,065.08	10%	4,038.81	22%	2,297.36	22%
Employee Benefit Exp	635.65	3%	610.43	6%	837.39	5%	1,040.21	10%
Administrative Exp	377.18	2%	1,344.85	12%	1,432.12	8%	387.94	4%
Selling & Distribution Exp	1,491.05	6%	843.34	8%	950.92	5%	538.88	5%
Finance Cost	489.96	2%	442.15	4%	593.19	3%	565.62	5%
Deprecation and Amortization Exp	670.48	3%	565.01	5%	838.97	5%	708.67	7%
Total Exp	21,521.29	93%	10,212.88	93%	17,034.03	94%	10,416.33	100%
Profit/(Loss) before tax	1,602.46	7%	726.01	7%	1,140.47	6%	12.07	0%
Net Tax Exp	412.82	2%	121.17	1%	364.11	2%	-6.47	0%
Profit/(Loss) after tax	1,189.63	5%	604.84	6%	776.36	4%	18.54	0%

REVENUE BREAKUP

Our Revenue from operations were ₹ 22,781.96 Lakhs, ₹ 17,675.26 Lakhs and ₹ 9,719.16 Lakhs for the nine months ended December 31, 2021, year ended March 31, 2021, March 31, 2020 as per the Standalone Financial Statements as tabulated above.

OUR COMPETITIVE STRENGTHS

We believe that our primary competitive strengths include the following:

Strong promoter background, experienced management team and motivated workforce

Our Promoters viz. Mr. J P. Agarwal and Mr. Kapil Agrawal, brings to our Company their vision and leadership which has been instrumental in our success. Our experienced professional management team has helped us to offer high standards of customer service and a pleasant shopping experience. Our management team consists of a team of professionals with relevant domain expertise and functional specializations. Further, our management team has been able to complement our expansion with the ability to create adequate systems and processes. Our management team is complemented by a committed work force that enables us to operate, synergies and integrate operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for our success. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty and increase productivity.

State-of-the-art manufacturing facilities with strong focus on design and quality

Our Company manufactures majority of our products in-house at our manufacturing units Udaipur and Bangalore (Bangalore Units is not functional as more particularly described in Point 3 Under Risk Factors under page no. 26). Our manufacturing facilities are fully integrated from raw material handling to finished goods, warehousing process, and are equipped with ultra-modern & latest technology machineries such as Kiln, Spray Dryer, Press, Digital Printing, Glazing Line, etc. enabling us to manufacture various sizes of products, minimize human labour involvement and achieving cost efficiencies. Our machineries are imported as well as domestically procured and match the international quality standards. Over the years, Company has made continuous investments in our manufacturing infrastructure to support our product portfolio requirements. We engage in continuous product development and introduction of new designs to keep up with the trends and meet our customer requirements.

Efficiency of the production processes

We are equipped with modern technology at our manufacturing facilities. We are focused on monitoring labour and productivity related issues and have also adopted a policy of constant improvement across all the major processes. Our trained and experienced manpower has also helped in streamlining the production process and increasing the output. We also believe that by following a worker friendly policy we have developed cordial relations with our work force which has also helped in ensuring smooth production process in our facilities.

BUSINESS STRATEGY

Our Company has been a pioneer in adapting new technologies and venturing into new products. Our Company has established a wholly owned subsidiary in USA which caters to the need of the USA market for the Quartz slabs. This gives the Company an edge to attract customers who might be reluctant to purchase directly from offshore manufacturers. Our Company further seeks to strengthen its production capacities to remain competitive in an overly competitive market. While our Company believes that the USA market itself has enough untapped potential to enable the entity to utilize its production capacity at optimum levels, our Company may also venture into new geographies to diversify its market portfolio. Our Company also explores opportunities in backward integration of its production line. Further, our Company also seeks to assess opportunities to enter into new product lines as and when any reasonable opportunity is identified.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behaviour, which has helped us in achieving customer loyalty. We endeavour to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We are steadily increasing our footprints in export market by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which will help us in the future in penetrating more into global markets with a wide market reach.

To increase footprints in international market for our products

We majorly export our products in USA, Vietnam, Poland, Slovakia etc and plan to further expand our export operations globally. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint.

Strengthen our brand value

We intend to make consistent efforts to strengthen our brand *“Taanj”* globally and enhance our brand visibility by undertaking various initiatives. We intend to make conscious efforts to internationally promote our brand in alignment with domestic promotion and increase our brand visibility and brand recall in line with the growth in our business operations. Our existing business operations and relationships with the existing customers, distributors, dealers, sub-dealers, suppliers, etc., will aid us to expand the brand across the international market. We believe we are well positioned to strengthen the *“Taanj”* brand in coming time.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment. This will help us improve sales and sell through, allowing us to increase turnover and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory and debtor levels. We believe our focus on costs and network efficiency will help us improve our profitability and return on capital employed.

Continuous Technological upgradation

We continue to further focus on technological upgradation to increase asset productivity, operating efficiencies and strengthen our competitive position. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology from international markets in our plant and machinery to ensure that our manufacturing processes are up to date viz. Italian polish machine and calibration line which provides a better finish in the final product. We intend to continue upgrading our technological capabilities to develop systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

Continue to develop talent and skilled workforce and inculcate good business practices

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees. As of December 31, 2021, we had 180 employees on roll who are working in different functions, we intend to recruit best available talent across various industries, train the m as per our value system and provide them opportunities to learn, experiment and innovate.

We intend to continue to encourage our employees to be enterprising and contribute constructively to our business through effective training and management. Pursuant to our focus on effective training of our employees, we undertake various internal training programmes. Our HR policies focus on improving employee retention and their engagement level in the Company. We have also initiated diversity and gender inclusion hiring to promote positive employee experiences.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship, quality products and services fetch better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long-term relations with our customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Letter of Offer, our Board comprises Six (6) Directors, of which two are Executive Directors, one is Non-Executive Non- Independent Director and three are Independent Non-Executive Directors. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the details regarding our Board of Directors as on the date of this Letter of Offer:

Sr. No.	Name, Father's Name, Designation, Address, Occupation, Nationality & DIN	Age (years)	Other directorships
1.	Mr. Jagdish Prasad Agarwal S/o Mr. Magni Ram Agarwal Designation : Managing Director Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajashthan, India DIN : 00386183 Date of Birth : 06.10.1957 Term : Reappointed for the 05 Year From September 30, 2019 Period of Directorship : 32 Years Occupation : Business	64 Years	Private Limited Companies <ol style="list-style-type: none"> 1. Rahul Avas Yojna Private Limited 2. Ravi Realmart Private Limited 3. Yash Processors Private Limited 4. Geetanjali Industrial Minerals Private Limited Public Limited Companies <ol style="list-style-type: none"> 1. Pacific Iron Manufacturing Limited 2. Gaze Fashiontrade Limited 3. Gist Minerals Technologies Limited
2.	Mr. Kapil Agarwal S/o Mr. Jagdish Prasad Agarwal Designation : Director & Chief Financial Officer Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajashthan, India DIN : 00386298 Date of Birth : 18.06.1983 Term : Reappointed for the 05 Year From September 30, 2019 Period of Directorship : 16 Years Occupation : Business	38 Years	Private Limited Companies <ol style="list-style-type: none"> 1. Geetanjali Aviation Private Limited 2. Galaxy Realventure Private Limited 3. Geetanjali Buildtech Private Limited 4. Surya Buildsquare Private Limited 5. Bhaskar Buildmart Private Limited 6. Proclaim Constructions Private Limited 7. Geetanjali Investech Holdings India Private Limited 8. Sea Horse Constructions Private Limited 9. Pearl Realhome Developers Private Limited 10. Mount Saroli Infrastructures Limited 11. Pacific Leasing And Research Ltd 12. Geetanjali Infosystems Private Limited 13. Steadfast Builders Private Limited Public Limited Companies <ol style="list-style-type: none"> 1. Pacific Iron Manufacturing Limited 2. Pacific Leasing And Research Ltd

3.	<p>Mrs. Geetadevi Agarwal W/o Mr. Jagdish Prasad Agarwal Designation : Non Executive Director Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajasthan, India DIN : 00386331 Date of Birth : 25.03.1960 Term : Appointed from August 14, 2014. Period of Directorship : 6 years Occupation : Service</p>	61 Years	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Yash Processors Private Limited 2. Rahul Marbles Private Limited 3. Rahul Avas Yojna Private Limited 4. Rajat Hotels And Resorts Private Limited 5. Lakecity Housing Development And Finance Private Limited 6. Geetanjali Industrial Minerals Private Limited <p>Public Limited Companies</p> <ol style="list-style-type: none"> 1. Pacific Leasing and Research Limited 2. Mount Saroli Infrastructures Limited
4.	<p>Mr. Pradeep Kumar Jain S/o Mr. Jinesh Chandra Jain Designation : Non Executive Independent Director Address: K-5, Gold Leaf Colony, Kota Bawari, Bhuwana, Udaipur - 313 001 DIN : 08303628 Date of Birth : 17.06.1957 Term : Appointed for the Term of 05 Year From September 30, 2019 Period of Directorship : 03 years Occupation : Service</p>	64 Years	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Blood Hound Security Company Private Limited (Merged With Gaze Fashiontrade Limited) 2. Saha Coloured & Flavour Spirit Manufacturer Private Limited (Merged with Gist Mineral Technologies Limited) <p>Public Limited Companies</p> <ol style="list-style-type: none"> 1. Pacific Iron Manufacturing Limited 2. Gist Minerals Technologies Limited
5.	<p>Mr. Vikas Misra S/o Mr. Ram Samujh Misra Designation : Non Executive Independent Director Address: Geetanjali Institute of Technical Studies, Airport Road, Dabok Occupation: Service Udaipur 313 001 DIN : 08304606 Date of Birth : 11.09.1972 Term : Appointed for the Term of 05 Year From September 30, 2019 Period of Directorship : 03 Years Occupation : Service</p>	49 years	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Biswas Solar Instrument Private Limited ((Merged With Gaze Fashiontrade Limited) 2. Radhika Vyapaar Pvt Ltd ((Merged With Gaze Fashiontrade Limited) <p>Public Limited Companies</p> <ol style="list-style-type: none"> 1. NIL

6.	<p>Mr. Vinod Choudhary S/o Mr. Manohar Lal Choudhary Designation : Non Executive Independent Director Address: House No 20, Roy Colony 2nd Road, Roy Colony, Katni, Murwara, Katni 483 501 DIN : 03390324 Date of Birth : 24.04.1961 Term : Re-Appointed for the Term of 05 Year From September 30, 2019 Period of Directorship : 06 Years Occupation : Service</p>	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Bhola Motor Finance Private Limited 2. Geetanjali Infosystems Private Limited 3. Reyansh Infrastructure Private Limited 4. Jai Govind Devji Agro Farming Developers Private Limited <p>Public Limited Companies</p> <ol style="list-style-type: none"> 1. Pacific Iron Manufacturing Limited
----	---	--

Relationship between Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2 (77) of the Companies Act, except as set out below:

Name of the Director	Relation
Jagdish Prasad Agarwal – Kapil Agarwal	Father – Son
Jagdish Prasad Agarwal – Geetadevi Agarwal	Husband – Wife
Kapil Agarwal - Geetadevi Agarwal	Son - Mother

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Jagdish Prasad Agarwal

Mr. J. P. Agarwal, 63 years, one of the promoter Director, is a Chairman & Managing Director of the Company looking after overall affairs of the Company. He surveyed market potential in 1988-89 in various countries like Singapore, Hong Kong, Italy, UAE, France, Germany, China and Switzerland. He also attended International Trade Fair at Carara in Italy and studied various granite processing units at Italy and China during his visits. He observed huge export potential of the Granite and idea of setting up the unit crystallized.

Prior to this, he was engaged in the business of survey, construction, drilling, development of tube wells, RCC overhead water tanks in the state of Rajasthan & Madhya Pradesh.

He had graduated in commerce faculty in 1978 from University of Rajasthan and passed C.A. (Inter) in 1982. During his practical training in a leading Chartered Accountant firm in Mumbai he assisted in consultancy to entrepreneurs and their financial management.

Kapil Agarwal

Mr. Kapil Agarwal is the Executive Director and Chief financial officer. He has joined the Company in 2005 after completion of his studied in business administration from Western Michigan University, USA. He has taken overall charge of the Bangalore unit and has bagged handsome export orders thereby increasing the customer base of the company resulting export growth. He is a Director of our Company since July 23, 2005.

Geetadevi Agarwal

Mrs. Geeta Devi Agarwal is an Non Executive Director. She has an experience in Business management. She was appointed as an Non Executive Director of the Board with effect from August 14, 2014.

Pradeep Kumar Jain

Dr. Pradeep Kumar Jain is a Non Executive Independent Director. Dr. Jain, has vide experience of more than 40 years in the field of Business administration and Management Studies. He has faculty and consultant in various international universities and institute. He was done Ph.D (International Marketing) from university of Rajasthan in the year 1982.

Vikas Misra

Dr. Vikas Misra is a Non Executive Independent Director. Dr. Misra has vide experience of more than 22 year in the field of Mechanical engineering and served various known organization at the position of director. He has done Ph.D. (Mechanical Engineering) from Integral University, Lucknow and M.Tech (Mechanical Engineering) with Specialization in industrial system Engineering from K.N.I.T, Sultanpur.

Vinod Choudhary

Mr. Vinod Choudhary is a Non Executive Independent Director. He has an Commerce Graduate and possesses appropriate skills, experience and knowledge; inter alia, in the field of Finance.

Past Directorships in listed companies

None of the Directors is or were a director of any listed company during the last five years preceding the date of filing of the Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company during the last ten years preceding the date of filing of the Letter of Offer, which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Other confirmations

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship.

We confirm that as on the date of this Letter of Offer, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

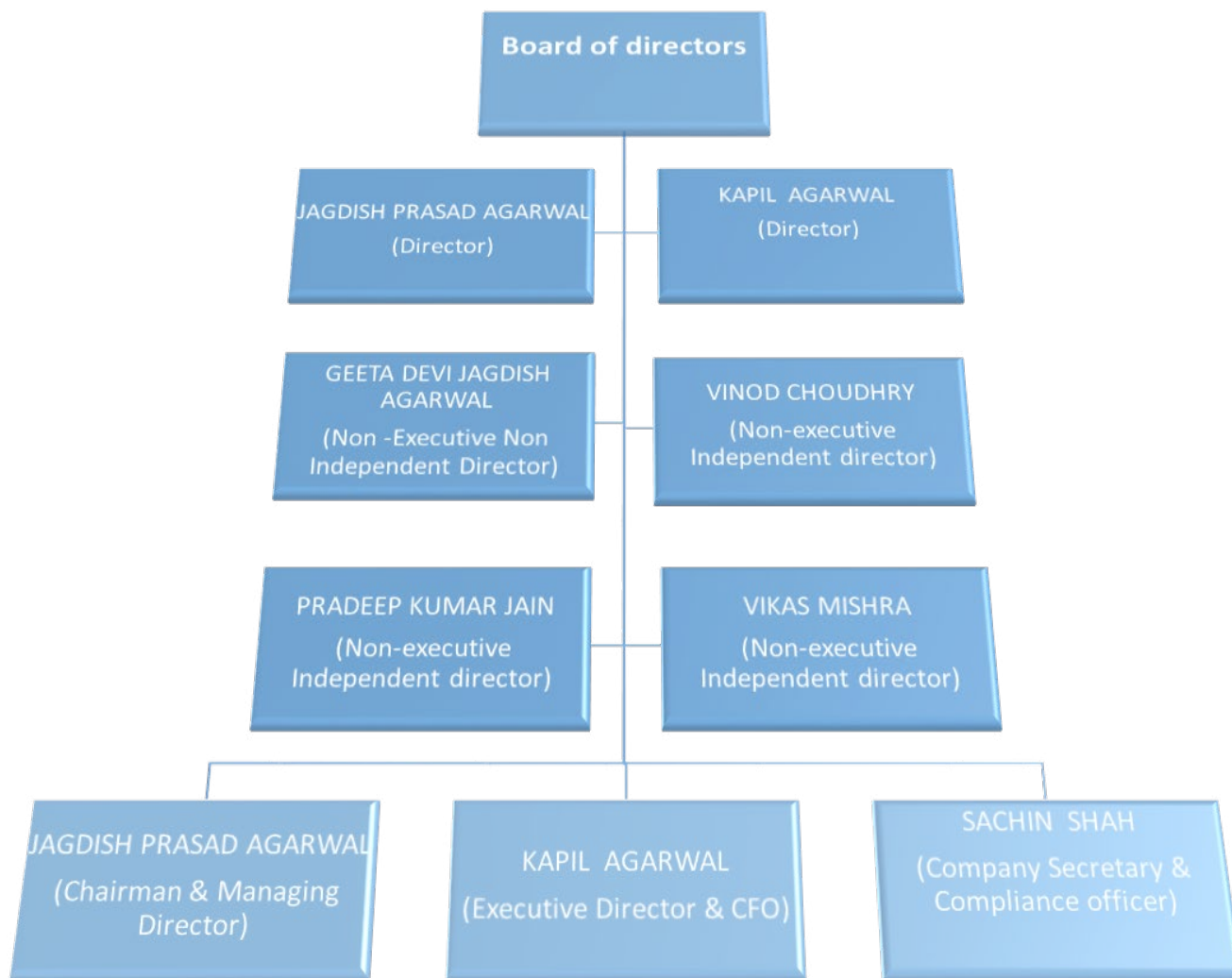
Details of directorship in companies suspended or delisted

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

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

Management Organisation Structure

The corporate structure of our Company is as under:



OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

In addition to our Managing Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Sr. No.	Name of Key Management Personnel	Designation
1.	Kapil Agarwal	Chief Financial Officer
2.	Sachin Shah	Company Secretary and Compliance Officer

In addition to the persons named above, the following are the Senior Management Personnel of our Company:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Gagan Agarwal	Production Head
2.	Vinay Rawal	Marketing Head

Relationship among Key Management Personnel and among Key Management Personnel and Directors

Other than as described below, our Key Management Personnel are neither related to each other nor related to any of the Directors:

Name	Relation
Jagdish Prasad Agarwal – Kapil Agarwal	Father – Son
Jagdish Prasad Agarwal – Geetadevi Agarwal	Husband – Wife
Kapil Agarwal - Geetadevi Agarwal	Son - Mother

All our Key Managerial Personnel are permanent employees of our Company.

SECTION VII - FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Particulars	Page No.
Limited Review Unaudited Financial Results for the nine months period ended December 31, 2021	89
Independent Auditor's Report on the Audited Financial Statements	100
Audited Financial Statements for the Year Ended March 31, 2021	111

09th February 2022

To,
The Listing Department,
Bombay Stock Exchange Limited,
Floor 25, P.J.Towers,
Dalal Street,
Mumbai-400001.

Sub.: Submission of Un-Audited Standalone and Consolidated Financial Results for the quarter ended on 31.12.2021.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of M/s PACIFIC INDUSTRIES LIMITED in their meeting held on Wednesday, 09th February 2022 at the Corporate office of the Company situated at Village Bedla, Udaipur-313001 (Raj.) inter alia transacted the following businesses:

1. Approved Un-Audited Standalone and Consolidated Financial Results for the quarter ended on 31.12.2021

It is for your kind information and necessary records.

Thanking You

Yours faithfully,

For PACIFIC INDUSTRIES LIMITED



Sachin Shah
Company Secretary



CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

RAVI SHARMA & CO
Chartered Accountants



3580, JOHRI BAZAR, MSB KA RASTA 4TH
CROSSING, JAIPUR RAJASTHAN 302003
Ph. 9351258175

Limited Review Report on Unaudited Quarterly Standalone Financial Results of Pacific Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors,
Pacific Industries Limited**

1. We have reviewed the accompanying Statement of unaudited Standalone Financial Results of Pacific Industries Limited ('the Company') for the Quarter ended 31st December 2021 and year to date results for the period from 1st April 2021 to 31st December 2021 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which 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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the



RAVI SHARMA & CO
Chartered Accountants



3580, JOHRI BAZAR, MSB KA RASTA 4TH
CROSSING, JAIPUR RAJASTHAN 302003
Ph. 9351258175

information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C



(CA Paras Bhatia)

Partner

M.No. 418196

UDIN: 22418196 ABC KRT 1327

Date: 09th February, 2022

Place: Udaipur

PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No.13,N.H.48,Kempalinganahalli,Nelamanga Taluk, Distt.Bangalore-562123 (Karnataka)

Website: www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com CIN: L14101KA1989PLC062041

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

S. No.	PARTICULARS	(Rs. In Lakhs, Except Per Share Data)					
		Quarter Ended		Nine Month's Ended		Year Ended	
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)	
	Income						
I	a) Revenue from operation	6,122.77	6,542.84	4,189.81	22,781.96	10,742.11	17,675.26
II	b) Other Income	134.28	129.20	26.21	341.79	196.79	499.24
III	Total Income (I+II)	6,257.05	6,672.04	4,216.02	23,123.75	10,938.90	18,174.50
IV	Expenses						
	a) Cost of materials consumed (Including Consumables)	4,621.13	4,674.54	2,719.50	13,036.83	6,771.89	9,815.34
	b) Purchases of Stock-in-trade	133.40	121.27	117.67	4,998.60	202.30	2,768.33
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(125.90)	(114.23)	29.81	(847.92)	(262.00)	(819.56)
	d) Employee benefits expenses	234.05	212.03	175.89	635.65	610.43	837.39
	e) Finance Cost	185.39	116.53	107.52	489.96	442.15	593.19
	f) Depreciation and amortisation expenses	255.04	208.76	201.58	670.48	565.01	838.97
	g) Other expenses	808.82	900.72	855.95	2,537.68	1,883.11	3,000.36
	Total Expenses	6,111.94	6,119.61	4,207.91	21,521.29	10,212.88	17,034.03
V	Profit before exceptional Items and Tax (III-IV)	145.11	552.43	8.11	1,602.46	726.01	1,140.47
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	145.11	552.43	8.11	1,602.46	726.01	1,140.47
VIII	Tax Expense						
	(1) Current Tax	15.29	96.52	1.34	279.98	121.17	199.26
	(2) Deferred Tax and Other taxes	26.97	32.01	-	132.84	-	164.85
IX	Net Profit for the period (VII-VIII)	102.85	423.90	6.77	1,189.64	604.84	776.36
X	Other Comprehensive Income						
	(i) Items that will not be reclassified to Profit or Loss, net of tax	(22.05)	43.37	12.50	44.75	47.14	13.66
	(ii) Items that will be reclassified to Profit or Loss, net of tax	-	-	-	-	-	-
XI	Total Income for the period (IX+X)	80.81	467.27	19.27	1,234.38	651.98	790.02
XII	Paid-up Equity Share Capital (Face Value INR 10 each)	344.63	344.63	344.63	344.63	344.63	344.63
	Reserves Excluding revaluation reserve as per Balance Sheet of Previous Accounting Year						9,480.00
XIII	Earning Per Share in INR						
	a) Basic	2.98	12.30	0.20	34.52	17.55	22.53
	b) Diluted	2.98	12.30	0.20	34.52	17.55	22.53

Date : 09.02.2022
Place : Udaipur



By order of the Board
For PACIFIC INDUSTRIES LIMITED
KAPIL AGARWAL
(EXECUTIVE DIRECTOR)
(DIN 00386298)

SACHIN SHAH
(COMPANY SECRETARY)
(PAN CFLP52451B)

CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganahalli Village, Nelamanga Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

PACIFIC INDUSTRIES LIMITED


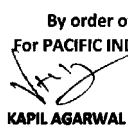

Regd. Office : Survey No.13,N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt.Bangalore-562123 (Karnataka)

Website: www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com

CIN: L14101KA1989PLC062041

STANDALONE SEGMENT REPORT FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021
INR (In Lacs)

S. No.	PARTICULARS	Quarter Ended			Nine Month's Ended		Year Ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2020 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Segment Revenue						
	A. Stone - Granite and Quartz	6,122.77	6,536.63	4,083.32	17,719.43	10,635.62	14,899.20
	B. Trading Other than Granite and Quartz		6.21	106.49	5,062.53	106.49	2,776.06
	C. Other Services						
	Revenue From Operations (Excluding Other Income)	6,122.77	6,542.84	4,189.81	22,781.96	10,742.11	17,675.26
2	Segment Results						
	Profit/Loss Before Charging Unallocable Expenditures						
	A. Stone - Granite and Quartz	330.51	668.10	99.54	2,092.41	1,152.06	1,562.09
	B. Trading Other than Granite and Quartz		0.86	16.09		16.09	171.58
	C. Other Services						
	less : Unallocable Expenses (Interest)	185.39	116.53	107.52	489.96	442.15	593.19
	Total Profit (Before Tax & OCI)	145.11	552.43	8.11	1,602.46	726.01	1,140.47
3	Segment wise capital employed (Segment Assets- Segment Liabilities)						
	A. Stone - Granite and Quartz	19,451.19	20,973.86	16,629.70	19,451.19	16,629.70	17,834.15
	B. Trading Other than Granite and Quartz	1.77	6.43	560.35	1.77	560.35	722.77
	C. Other Services	89.24	109.24	195.00	89.24	195.00	243.14
	Total	19,542.20	21,089.53	17,385.04	19,542.20	17,385.04	18,800.06

Date : 09.02.2022 Place : Udaipur		By order of the Board For PACIFIC INDUSTRIES LIMITED	
		 KAPIL AGARWAL (EXECUTIVE DIRECTOR) (DIN 00386298)	 SACHIN SHAH (COMPANY SECRETARY) (PAN CFLPS2451B)

CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganhalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No.13,N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt.Bangalore-562123 (Karnataka)
 Website: www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com CIN: L14101KA1989PLC062041

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDING ON 31st DECEMBER,2021

Notes:-

- 1 The above Standalone results for the Quarter & Nine months ending December 31,2021 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 9th February,2022
- 2 The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 Segment results in accordance with Ind AS 108-Operating Segment are given in Annexure attached.
- 4 Figures for the previous periods have been regrouped and/or reclassified wherever necessary to make them comparable with those of current periods.
- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2021. The Code has been published in the Gazette of India and subsequently, on November 13,2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code become effective.
- 6 Fair Value of Investments in Unquoted Securities/Other Interest has been determined on the basis of latest available audited financial Statements of the respective Investments.
- 7 The company has Incorporated US Based Wholly Owned Subsidiary Company named as "TAANJ QUARTZ INC." in Financial Year 2020-2021 and company has subscribed its share capital in the current Quarter.

Place: Udaipur
 Dated: 09th February 2022



By order of the Board
 For PACIFIC INDUSTRIES LIMITED

KAPIL AGARWAL
 (EXECUTIVE DIRECTOR)
 (DIN 00386298)

SACHIN SHAH
 (COMPANY SECRETARY)
 (PAN CFLPS2451B)

CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganhalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

RAVI SHARMA & CO
Chartered Accountants



3580, JOHRI BAZAR, MSB KA RASTA 4TH
CROSSING, JAIPUR RAJASTHAN 302003
Ph. 9351258175

Limited Review Report on Unaudited Quarterly Consolidated Financial Results of Pacific Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors of
Pacific Industries Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of Pacific Industries Limited ('the Holding Company') and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter ended 31st December 2021 ('the Statement') and year to date results for the period from 1st April 2021 to 31st December 2021 ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



RAVI SHARMA & CO
Chartered Accountants



3580, JOHRI BAZAR, MSB KA RASTA 4TH
CROSSING, JAIPUR RAJASTHAN 302003
Ph. 9351258175

Other Matters



- (a) We did not review the interim financial results of Two Wholly Owned Indian subsidiaries and one wholly owned US Based subsidiary, whose Ind AS Financial Results include total revenues of Rs 154.47 Lacs for the quarter ended 31st December 2021. These Ind AS Financial Results have been reviewed by other auditors which have been furnished to us by the management. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such auditors.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors.

Details of Subsidiaries are as under:-

- i) Gist Minerals Technologies Limited (Wholly Owned Subsidiary)
- ii) Gaze Fashion trade Limited (Wholly Owned Subsidiary)
- iii) Taanj Quartz INC (Wholly Owned Overseas Subsidiary)

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C



(CA Paras Bhatia)

Partner

M.No. 418196

UDIN: 22418196ABCKUL3349

Date: 09th February 2022

Place: Udaipur

PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No.13, N.H.48, Kempalinganahalli, Nelamangala Taluk, Distt. Bangalore-562123 (Karnataka)

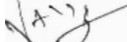
Website: www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com CIN: L14101KA1989PLC062041

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

S. No.	PARTICULARS	Quarter Ended			Nine Months' Ended		Year Ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Income						
I	a) Revenue from operation	6,173.60	6,770.94	4,231.83	23,004.62	10,842.31	17,825.92
II	b) Other Income	261.89	254.04	81.23	722.69	370.58	760.51
III	Total Income (I+II)	6,435.49	7,024.98	4,313.06	23,727.31	11,212.89	18,586.43
IV	Expenses						
	a) Cost of materials consumed including consumables	4,545.83	4,651.19	2,582.18	12,938.19	6,509.03	9,525.44
	b) Purchases of Stock-in-trade	207.03	144.52	248.58	5,095.47	454.11	3,096.44
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(125.90)	53.18	29.81	(806.40)	(262.00)	(861.95)
	d) Employee benefits expenses	254.51	231.03	197.04	692.27	663.54	926.12
	e) Finance Cost	95.27	55.53	60.53	238.79	195.74	289.22
	f) Depreciation and amortisation expenses	256.33	210.27	203.19	674.93	568.61	844.20
	g) Other expenses	841.14	955.03	867.71	2,671.01	2,091.55	3,267.77
	Total Expenses	6,074.22	6,300.75	4,189.02	21,504.26	10,220.57	17,087.24
V	Profit before exceptional items and Tax (III-IV)	361.27	724.23	124.04	2,223.05	992.32	1,499.19
VI	Exceptional Items						
VII	Profit before tax (V-VI)	361.27	724.23	124.04	2,223.05	992.32	1,499.19
VIII	Tax Expense						
	(1) Current Tax	82.19	134.58	19.53	443.63	190.12	293.00
	(2) Deferred Tax and Other Taxes	26.97	32.01	-	132.84	-	164.85
IX	Net Profit for the period (VII-VIII)	252.12	557.65	104.51	1,646.57	802.20	1,041.34
X	Other Comprehensive Income						
	(i) Items that will not be reclassified to Profit or Loss, net of tax	(22.05)	43.37	12.50	44.75	68.88	13.66
	(ii) Items that will be reclassified to Profit or Loss, net of tax	-	-	-	-	(7.22)	-
XI	Total Income for the period (IX+X)	230.08	601.02	117.01	1,691.32	863.86	1,055.00
XII	Paid-up Equity Share Capital (Face Value INR 10 each)	344.63	344.63	344.63	344.63	344.63	344.63
	Reserves Excluding revaluation reserve as per Balance Sheet of Previous Accounting Year						34787.61
XIII	Earning Per Share in INR						
	a) Basic	7.32	16.18	3.03	47.78	23.28	30.22
	b) Diluted	7.32	16.18	3.03	47.78	23.28	30.22

By order of Board

For PACIFIC INDUSTRIES LIMITED



KAPIL AGARWAL

(EXECUTIVE DIRECTOR)

(DIN: 00386298)



SACHIN SHAH

(COMPANY SECRETARY)

(PAN: CFLPS2451B)

Date : 09.02.2022
Place : Udaipur



CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No.13,N.H.48,Kempalinganahalli,Nelamangala Taluk, Distt.Bangalore-562123 (Karnataka)

CONSOLIDATED SEGMENT REPORT FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021
INR (In Lacs)

	PARTICULARS	Quarter Ended			Nine Months's Ended		Year Ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Segment Revenue						
	A. Stone - Granite & Quartz	6,277.24	6,986.10	4,216.72	18,538.16	10,621.49	15,163.85
	B. Trading Other than Stone - Granite & Quartz	-	6.21	106.49	5,062.53	106.49	2,776.06
	C. Investment & Finance	96.18	124.82	93.46	264.33	530.95	576.97
	D. Other Services	-	-	-	-	-	-
	Total	6,373.43	7,117.14	4,416.67	23,865.01	11,258.93	18,516.89
	Less : Inter Segment Revenue	199.83	346.20	184.84	860.41	416.62	690.96
	Revenue From Operations (Excluding Other Income)	6,173.60	6,770.94	4,231.83	23,004.62	10,842.31	17,825.92
2	Segment Results						
	Profit/Loss Before Charging Unallocable Expenditures						
	A. Stone - Granite & Quartz	330.79	650.85	107.68	2,295.62	863.60	1,356.58
	B. Trading Other than Stone - Granite & Quartz	-	0.86	16.09	166.22	16.09	171.58
	C. Investment & Finance	125.75	128.05	60.79	-	308.36	260.25
	D. Other Services	-	-	-	-	-	-
	Unallocable Expenses (Finance Cost)	95.27	55.53	60.53	238.79	195.74	289.22
	Total Profit (Before Tax & OCI)	361.27	724.23	124.04	2,223.05	992.32	1,499.19
3	Segment wise capital employed (Segment Assets- Segment Liabilities)						
	A. Stone - Granite & Quartz	18,294.44	19,810.75	17,240.89	18,294.44	17,240.89	16,641.15
	B. Trading Other than Stone - Granite & Quartz	1.77	6.43	560.35	1.77	560.35	722.77
	C. Investment & Finance	21,115.84	19,515.46	19,021.66	21,115.84	19,021.66	19,758.01
	D. Other Services	89.24	109.24	195.00	89.24	195.00	243.14
	Total	39,501.29	39,441.88	37,017.90	39,501.29	37,017.90	37,365.07

Date : 09.02.2022
Place : Udaipur

By order of the Board
For PACIFIC INDUSTRIES LIMITED

KAPIL AGARWAL
(EXECUTIVE DIRECTOR)
(DIN 00386298)

SACHIN SHAH
(COMPANY SECRETARY)
(PAN CFLPS2451B)

CIN: L14101KA1989PLC062041

REGISTERED OFFICE.

Survey No. 13, N.H. 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No.13,N.H.48,Kempalinganahalli,Nelamangala Taluk, Distt.Bangalore-562123 (Karnataka)

Website: www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com CIN: L14101KA1989PLC062041

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDING 31st DECEMBER, 2021


Notes:-

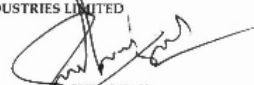
- 1 These Un-Audited Consolidated Financial Results for the quarter & nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 9, 2022
- 2 These Unaudited Consolidated financial results have been prepared in accordance with the recognition and measurement principles under Ind AS as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 Segment results in accordance with Ind AS 108-Operating Segment are given in Annexure attached.
- 4 Figures of the previous period have been regrouped/ reclassified wherever necessary to make them comparable with those of current periods.
- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2021. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6 Fair Value of Investments in Unquoted Securities/Other Interest has been determined on the basis of latest available audited financial Statements of the respective Investments.
- 7 The company has Incorporated US Based Wholly Owned Subsidiary Company named as "TAANJ QUARTZ INC." in Financial Year 2020-2021 and company has subscribed its capital in the current Quarter. The reviewed results of the same has been Consolidated by the Management in preparing this Consolidated Financial Statements.
- 8 Gaze Fashiontrade Limited has applied for merger of its wholly owned subsidiaries Radhika Vyapaar Private Limited, Biswas Solar Instrument Private Limited and Blood Hound Security Private Limited with itself under section 233 of Companies Act 2013 on 12.03.2020 and approval from Regional Director, South Eastern Region, Hyderabad has been received for Amalgamation, w.e.f. 01.04.2020 vide order dated 07-01-2021. Later on, INC-28 approved by MCA dated 29.11.2021 regarding registration of order of Regional Director. Amalgamated results of Gaze Fashiontrade Limited reviewed by another Auditor has been considered for the purpose of Consolidation.

Place: Udaipur
 Dated: 09th February 2022



By order of the Board
 For PACIFIC INDUSTRIES LIMITED


KAPIL AGARWAL
 (EXECUTIVE DIRECTOR)
 (DIN 00386298)


SACHIN SHAH
 (COMPANY SECRETARY)
 (PAN CFLP52451B)

CIN: L14101KA1989PLC062041

REGISTERED OFFICE:

Survey No. 13, N.H. 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka, INDIA

Visit us at : www.pacificindustriesltd.com, E-mail: pilnorth@pacificgranites.com, pilsouth@pacificgranites.com

Udaipur Phone: +91-294-2440933 / 2440934 / 2440388 / 2440196, Fax No. : +91-294-2440780

Bangalore Phone : +91-80-27723004, +91-80-27725976, Fax : +91-80-27723005

Independent Auditor's Report on the Standalone Ind AS Financial Statements

To
The Members of
PACIFIC INDUSTRIES LIMITED,

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Pacific Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') 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.

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition	
Revenue is one of the key profit drivers. Cut -off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, around dispatches / deliveries, inventory reconciliations and substantive testing for cut -offs and analytical review procedures.

Emphasis of Matter Paragraph

We invite attention to Note No-42 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31st March 2021, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our Opinion is not modified on the above 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 the Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, 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.

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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

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 auditors' 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 & Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,
In our opinion, the managerial remuneration for the year ended 31st March 2021, has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
 - ii. The Company did not have any long-term contract including derivatives contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C

(CA Paras Bhatia)
Partner
M.No.: 418196
UDIN: 21418196AAAACZ5389

Date: 30th, June, 2021
Place: Udaipur

Annexure I to the Independent Auditors' Report of Pacific Industries Limited

With reference to the Annexure I referred to in the Independent Auditors' Report to the members of the Pacific Industries Limited on the Standalone Financial Statements for the year ended 31 March 2021, we report the following:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company except the land having cost of Rs. 64.76 Lacs in Bangalore held in the name of past director of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (B) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security,

- (v) The Company has not accepted any deposits from the Public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- (vi) According to the information & explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of manufacture of its products by the company.
- (vii) In respect of statutory dues:

- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess, Goods and Service Tax and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities except for a few delays.

According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid due were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanation given to us, there are no pending dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and service tax or Cess which are not deposited on account of dispute except Following: -

Particulars	Year	Amount of demand	Amount deposited against demand	Amount of demand to the extent not deposited (Rs.)	Forum where appeal is pending
Central Excise, Udaipur	Norms 2007-08, To 2013-14	17062354	6232543	10829811	CESTAT, Delhi
Custom Demand, Udaipur	Norms 2014-15 to 2016-17	7839092	920927	6918165	Joint Commission, Udaipur

- (viii) According to information and explanation given to us by the management, as on balance sheet date the company is not in default w.r.t. repayment of loans and borrowings to a financial institutions, banks or government, further the company has not issued any debentures.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management during the year under review, the company has not raised money by way of initial public offer or further public offer including debt instruments. To the best of our knowledge and belief and according to the Information and Explanation given to us, term loans availed by the company were prima facie applied by the company during the year for the purpose for which the loan were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed in Section 406 of the Act. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to information and explanations given to us and based on examination of the records of the company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us and based on examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to information and explanations given to us and based on examination of the records of the company, 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.
- (xvi) According to information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C

(CA Paras Bhatia)
Partner
M.No.: 418196
UDIN: 21418196AAAACZ5389

Date: 30th June 2021
Place: Udaipur

Annexure II to the Independent Auditors' Report of Pacific Industries Limited

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

In conjunction with our audit of the Standalone Ind AS Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Pacific Industries Limited (hereinafter referred to as "the Company"), which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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
- (c) 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 Institute of Chartered Accountants of India.

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C

(CA Paras Bhatia)
Partner
M.No.: 418196
UDIN: 21418196AAAACZ5389

Date: 30th June 2021
Place: Udaipur

Standalone Balance Sheet as at 31 March 2021
(Rupees in Lakhs)

S. No.	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant & Equipment	3	8,978.39	8,878.70
	(b) Capital work-in-progress	3	2,369.28	3.00
	(c) Other Intangible Asset	3	-	-
	(d) Financial Assets			
	(i) Investments	4	895.83	98.39
	(ii) Loans & Advances	5	192.11	183.33
	(e) Other non-current assets	6	105.91	60.54
	Total Non-current Asset		12,541.52	9,223.96
(2)	Current assets			
	(a) Inventories	7	5,669.52	5,584.66
	(b) Financial Assets			
	(i) Trade Receivable	8	4,129.34	2,845.97
	(ii) Cash and Cash equivalents	9	913.57	138.33
	(iii) Other Bank Balances	10	1,999.17	756.58
	(iv) Loans & Advances	5	170.00	986.66
	(v) Other Financial Asset	11	3.28	7.07
	(c) Other current assets	6	2,401.29	1,888.39
	Total Current Asset		16,286.16	12,207.67
	Total Assets		28,827.68	21,431.63
II.	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity Share capital	12	344.63	344.63
	(b) Other Equity	13	9,480.00	8,594.75
	Total Equity		9,824.63	8,939.38
(2)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	8,975.43	7,311.63
	(b) Provisions	15	315.51	215.74
	(c) Deferred tax liabilities (Net)	16	170.88	-
	Total Non-current Liabilities		9,461.82	7,527.37
(3)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,992.99	1,280.09
	(ii) Trade Payables	18	3,669.41	2,041.44
	(iii) Other Financial Liabilities	19	2,675.73	1,035.18
	(b) Other current liabilities	20	844.61	389.49
	(c) Provisions	15	159.23	215.55
	(d) Current tax liabilities (net)	21	199.26	3.14
	Total Current Liabilities		9,541.23	4,964.88
	Total Liabilities		19,003.05	12,492.25
	Total Equity and Liabilities		28,827.68	21,431.63

Significant accounting Policies
Notes forming Part of Financial Statements
As per our Report of even date
For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

1 & 2
1 to 46

For and on behalf of Board of Directors
Pacific Industries Limited

(J.P. Agarwal)
(Chairman &
Managing Director)
DIN:00386183

(Kapil Agarwal)
(Executive Director &
CFO)
DIN:00386298

(Paras Bhatia)
Partner
M.No. 418196
UDIN:
Date: 30th June 2021
Place: Udaipur

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS24518)

Standalone Statement of Profit & Loss for the Period April 20 to March 21

(Rupees in Lakhs)

S. No.	Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March 2020
I.	Revenue from operations	22	17,675.26	9,719.16
II.	Other income	23	499.24	709.24
III.	Total Revenue (I + II)		18174.50	10,428.40
IV.	Expenses:			
	Cost of Materials Consumed	24	6393.85	3845.94
	Purchases of Stock-in-Trade	25	2768.33	2070.38
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(819.56)	(1,038.67)
	Employee Benefits Expense	27	837.39	1,040.21
	Finance costs	28	593.19	565.62
	Depreciation and amortization expense	29	838.97	708.67
	Other expenses	30	6421.85	3,224.18
	Total expenses		17,034.03	10,416.33
V.	Profit before exceptional items and tax (III-IV)		1,140.47	12.07
VI.	Exceptional items			
VII.	Profit before tax (V- VI)		1,140.47	12.07
VIII.	Tax expense:			
	(1) Current tax	32	199.26	3.14
	(2) Deferred tax and Other Taxes	32	164.85	(9.61)
	Total Tax Expenses		364.11	(6.47)
IX.	Profit (Loss) for the period (VII-VIII)		776.36	18.54
	Other Comprehensive Income			
(a)	(i) Items that will not be reclassified subsequently to profit or loss		16.55	(40.62)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		(2.89)	-
(b)	(i) Items that will be reclassified subsequently to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
	Total Other Comprehensive income		13.66	(40.62)
	Total Comprehensive Income for the year		790.02	(22.08)
X.	Earnings per equity share:			
	(1) Basic (Rs)	33	22.53	0.71
	(2) Diluted (Rs)	33	22.53	0.71

Significant accounting Policies

1 & 2

Notes forming Part of Financial Statements

1 to 46

As per our Report of even date

For and on behalf of Board of Directors

For Ravi Sharma & Co.

Pacific Industries Limited

Chartered Accountants

(FRN 015143C)

(J.P. Agarwal)
(Chairman &
Managing Director)

(Kapil Agarwal)
(Executive Director &
CFO)

DIN:00386183

DIN:00386298

(Paras Bhatia)

Partner

M.No. 418196

UDIN:

Date: 30th June 2021

Place: Udaipur

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS2451B)

Standalone Cash Flow Statement for the year ended 31st March, 2021

(Rupees in Lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A. Cash flow from Operating Activities		
Profit before income tax	1,140.47	12.07
Adjustment for		
Depreciation and amortisation expenses	838.97	708.67
Pre-Operative Expense	-	-
Profit on sale of Fixed Assets	-	(10.01)
Loss on Sale of Fixed Asset	-	-
Finance Costs	593.19	565.62
Actuarial Gain/ (Loss)	13.66	(11.48)
Interest Income	(74.01)	(152.14)
Change in operating assets and liabilities		
(Increase) in inventories	(1,084.86)	(956.10)
(Increase)/Decrease in trade receivables	(1,283.38)	398.80
(Increase)/Decrease in financial assets	3.79	3.50
(Increase)/Decrease in Loans & Advances	816.66	846.87
(Increase)/Decrease in Other Current Assets	(512.89)	(916.65)
Increase/(Decrease) in Provisions	214.33	66.47
Increase/(Decrease) in Trade Payables	1,627.97	487.47
Increase/(Decrease) in Other Current Liabilities	455.12	(2.58)
Increase/(Decrease) in Other Financial Liabilities	194.95	(2,572.22)
Cash generated from operations	2,943.99	(1,531.71)
Income Tax paid	(167.99)	(14.57)
Net cash flow from operating activities	2,776.00	(1,546.28)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets (Net of amount payable for capital goods)	(1,950.73)	(1,280.49)
Sale of Fixed Assets	-	14.43
(Increase)/Decrease in Fixed Deposits	(1,242.59)	20.33
(Increase)/(Decrease in Long term Loans & advances	(8.78)	2.19
(Increase)/(Decrease in Other Non-current Assets	(45.37)	158.37
(Increase)/Decrease in Investments	(702.21)	33.75
Interest Income	74.01	152.14
Net cash flow from investing activities	(3,875.67)	(899.28)
C. Cash flow from financing activities		
Increase in Long Term Borrowings	1,663.80	584.25
Increase in Short Term Borrowings	804.30	(15.88)
Issue Of Share Capital - Right Issue	-	2,492.84
Finance Costs	(593.19)	(565.62)
Net cash flow from financing activities	1,874.91	2,495.59
Net increase / (decrease) in cash and cash equivalents	775.23	50.02
Cash and cash equivalents at the beginning of the year	138.33	88.30
Cash and cash equivalents at the end of the year	913.57	138.33

Significant accounting Policies
Notes forming Part of Financial Statements
As per our Report of even date
For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(Paras Bhatia)
Partner
M.No. 418196
UDIN:
Date: 30th June 2021
Place: Udaipur

For and on behalf of Board of Directors
Pacific Industries Limited

(J.P. Agarwal) (Kapil Agarwal)
(Chairman & Managing Director) (Director & CFO)
DIN:00386183 DIN:00386298

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS24518)

Pacific Industries Limited

Regd Office: Survey No. 13, N. H. 48, Kempalinganahalli, Nelamangala Taluk,
Bangalore (Rural), Bengaluru, Karnataka, 562123, Phone: 0294-2440933
Website: www.pacificindustriesltd.com, E-mail: pi@north@pacificgranites.com,
CIN: L14101KA1989PLC062041

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

Note 1 Corporate Information

Pacific Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the export, manufacturing & trading of Granite tiles & slabs and Quartz Slabs and other goods and commission activities.

Note 2 Significant accounting policies

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016. These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on 30th June, 2021.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

2.3 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for its operations. All financial

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.

2.4 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires 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 year.

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

Significant judgments and estimates relating to carrying value of assets and liabilities include useful lives of Property, plant and equipment, impairment of Property, plant and equipment, investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.5 Classification of Assets & Liabilities as Current & Non-Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Recognition of Revenue and Expenditure

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

2.6.1 Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

2.6.2 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method. Interest income is included under the head "Other Income" in statement of profit and loss.

2.6.3 Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.

2.7 Property, Plant & Equipment

Property, Plant & Equipment

Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation

Depreciation is provided on a Written Down Value basis except for New Quartz Plant (Taanj), where Depreciation is provided on Straight Line method over the estimated useful life of all the assets as prescribed in Schedule II of the Companies Act, 2013. The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any change in estimated accounted for on a prospective basis.

Depreciation is not recorded on capital work-in progress until construction and installation is completed and the asset is for intended use.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

2.8 Inventory

Inventories consists of Raw Material, Work In Progress, Finished Goods , Scrap & Stores & Spares.

Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average basis.

Raw materials & Stores & Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition on the weighted average basis.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity on a weighted average basis. Cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Employee benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plan

The Company makes defined contribution to Provident Fund managed by Government Authorities, which are accounted on accrual basis as expenses in the statement of Profit and Loss. The Company has no obligation other than the contribution payable to the provident fund.

c) Defined Benefit Plan

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the projected unit credit method, carried out as at balance sheet date. The obligation determined as aforesaid less the fair value of the Plan assets is reported as a liability or assets as of the reporting date. Actuarial gain or losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

d) Other Long-Term Benefits

Provision for other long term benefits in the form of long term compensated absences (leave encashment) are accounted for on the basis as if it becomes due for payment on the last day of accounting year.

2.10 Income Tax

Tax expenses comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent it relates to the items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.11 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.12 Provisions, Contingent Liabilities and Contingent Assets

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 Liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or where no reliable estimate is possible. Contingent liabilities are not recognised in financial statements but are disclosed in notes.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in financial statements and are disclosed in notes.

2.13 Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rate at date of initial transactions, are not retranslated.

In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.

2.14 Impairment

Non-financial assets

The carrying amount of non- financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expenses in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2.15 Government Grant

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

conditions precedent to claim are reasonably expected to be fulfilled.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities

When the grant has been received in relation to depreciable asset then the amount of grant will be reduced from the actual cost of the asset or the written down value of the block of asset.

2.16 Earning Per Share (EPS)

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18 Cash and Cash Equivalents

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

2.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs other than attributable to qualifying assets are recognised in the profit or loss in the period in which they incurred.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

2.20 Financial Instruments

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and loss.

2.21.1 Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

- (i) **Financial assets carried at amortised cost**
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income**
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) **Financial assets at fair value through profit or loss**
A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.
- (iv) **Financial liabilities**
Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

(v) **Equity instrument**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

c) **Derecognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

d) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21 Insurance Claim

Insurance Claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and the Board of Directors of the company considers and maintains Stones - Granite and Quartz, trading other than Granite & Quartz & Other services as the Business Segments of the Company.

2.23 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.24 Recent accounting pronouncements

Amendment to Ind AS 103 Business Combination

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations

Amendment to Ind AS 1 and Ind AS 8 : Definition of Material

The amendments provide a new definition of material clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company. These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020.

Statement of Changes in Equity for the period April 2020 to March 2021

A Equity Share Capital					(Rupees in Lakhs)
Particular	Note			Amount	
As on 1st April 2020	12			344.63	
Changes in equity share capital					
As on 31st March 2021	12			344.63	
B Other Equity					
Particular	Reserve & Surplus		Items of Other Comprehensive income		TOTAL
	Retained Earning	Security Premium	Investments	Remeasurement of net defined benefit Plans	
Balance at 1st April 2020	6,278.14	2,283.36	67.89	(34.64)	8,594.75
Profit for the year/ Transfer to reserve	776.36				776.36
Fair Value through OCI			95.23		95.23
Security Premium					-
Remeasurement of defined benefit Plans	-			13.66	13.66
Balance as at 31st March 2021	7,054.50	2,283.36	163.12	(20.98)	9,480.00

Significant accounting Policies
Notes forming Part of Financial Statements
As per our Report of even date
For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(Paras Bhatia)
Partner
M.No. 418196

Date: 30th June 2021
Place: Udaipur

For and on behalf of Board of Directors
Pacific Industries Limited

(J.P. Agarwal) (Kapil Agarwal)
(Chairman & Managing (Executive Director & CFO)
Director)
DIN:00386183 DIN:00386298

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS24518)

PACIFIC INDUSTRIES LTD

Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021

Note 3. Property, Plant & Equipment												
Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021												
Particulars	Tangible Assets							Capital Work in Progress		Intangible Assets - Software	Ratios in Lakhs	
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total			Grand Total
Gross Carrying value as at April 1, 2020	624.68	2,941.11	11,451.89	180.27	72.87	713.37	1,220.92	345.30	17,550.31	3.00	0.38	17,553.89
Additions	107.68	41.07	275.26	14.83	20.54	457.05	-	21.33	908.66	2,365.26	-	3,207.94
Deletions	-	-	-	-	-	-	-	-	-	3.00	-	3.00
Gross Carrying value as at March 31, 2021	732.36	2,982.08	11,727.14	195.10	93.41	1,170.42	1,220.92	366.63	18,458.97	2,362.26	0.38	20,821.61
Accumulated depreciation as at April 1, 2020	-	906.47	5,880.24	127.95	58.53	520.98	1,146.88	30.77	8,673.81	-	0.38	8,674.19
Depreciation	-	104.24	518.03	11.57	6.20	156.54	4.96	36.43	838.97	-	-	838.97
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	-	1,010.71	6,398.27	139.52	64.73	677.52	1,151.84	67.20	9,512.79	-	0.38	9,513.17
Net Carrying Value as at March 31, 2021	732.36	1,971.37	5,328.87	55.58	28.68	492.90	69.08	299.44	8,946.18	2,362.26	-	11,308.44
Net Carrying Value as at March 31, 2020	624.68	2,034.64	5,571.65	52.32	14.44	192.39	74.04	314.53	8,978.70	3.00	-	8,981.70

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020												
Particulars	Tangible Assets							Capital Work in Progress		Intangible Assets - Software	Ratios in Lakhs	
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total			Grand Total
Gross Carrying value as at April 1, 2019	357.32	1,789.81	7,218.14	178.38	62.68	776.15	1,205.04	41.80	11,561.56	4,775.71	0.38	16,337.65
Additions	257.38	1,151.10	4,123.75	1.89	10.29	5.88	15.88	281.30	6,007.64	1,220.17	0.00	7,228.21
Deletions	0.00	0.00	0.00	0.00	0.00	61.85	0.00	0.00	61.85	5,993.28	0.00	6,055.13
Gross Carrying value as at March 31, 2020	624.68	2,941.11	11,451.89	180.27	72.97	713.37	1,220.92	345.30	17,550.31	3.00	0.38	17,553.89
Accumulated depreciation as at April 1, 2019	0.00	810.25	5,404.14	113.33	52.44	493.52	1,132.73	14.10	8,023.09	0.00	0.38	8,023.47
Depreciation	0.00	96.22	476.10	14.62	8.06	84.34	14.15	16.17	708.08	0.00	0.00	708.08
Accumulated depreciation on deletions	0.00	0.00	0.00	0.00	0.00	59.17	0.00	0.00	59.17	0.00	0.00	59.17
Accumulated depreciation as at March 31, 2020	-	906.47	5,880.24	127.95	60.50	576.89	1,146.88	30.77	8,673.81	-	0.38	8,674.19
Net Carrying Value as at March 31, 2020	624.68	2,034.64	5,571.65	52.32	14.44	192.39	74.04	314.53	8,978.70	3.00	-	8,981.70
Net Carrying Value as at March 31, 2019	357.32	979.56	1,724.00	65.05	10.24	240.27	72.31	40.80	3,318.56	4,775.71	-	8,114.27

Pacific Industries Limited				
Notes to the Standalone Ind AS Financial Statement for the year ended 31st March 2021				
Note-4 Financial Asset : Investment		(Rupees in Lakhs)		
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
I. Investment in Equity Instruments				
Quoted				
<u>(A) Designated and carried at FVTOCI</u>				
400 Equity Shares of Federal Bank Ltd. of Rs. 10/- each Fully Paid-up	0.30	0.16		
100 Equity Shares of Liberty Shoes Ltd. of Rs. 10/- each Fully Paid-up	0.13	0.10		
2400 Equity Shares of Bharat Immunologicals Biologicals Corporation Limited of Rs. 10/- each Fully Paid-up	1.09	0.14		
3200 Equity Shares of Bajaj Finance Ltd. of Rs. 10/- each Fully Paid-up	164.76	70.91		
II. Investment in Government Securities				
National Saving Certificate (Pledge with the Govt.)	0.39	0.40		
III. Investment in Subsidiary Companies				
100000 Shares of Gaze Fashiontrade Ltd of Rs. 10/- each Fully Paid-up	10.00	10.00		
100000 Shares in Gist Minerals Technologies Ltd of Rs. 10/- each Fully Paid-up	10.00	10.00		
IV. Other Investment				
<u>(A) Designated and carried at FVTOCI</u>				
Investment in IFCI Portfolio	0.31	0.05		
a) 5050 Shares Confidence Finance and Trading Ltd of Rs 10/- each Fully Paid up	0.249	(0.027)		
b) 1100 Shares Housing Development & Infra. Ltd of Rs 1/- each Fully Paid up	0.051	(0.016)		
c) 1.034 Units of Nippon India Mutual Fund	0.010	(0.01)		
d) 10 Shares of Goldline International Finvest Ltd	(-)	(0.0002)		
*Note-(i) Denotes Previous Year Figures				
<u>(B) Measured at Amortised Cost(Unquoted)</u>				
Gamut Tradecom LLP (19% Share in Profit/Loss)	708.84	6.63		
Total	895.83	98.39		
Note 4.1 Fair Value of Investments in Unquoted securities/other interest in Gamut Tradecom LLP has been determined on the basis of the latest available audited financial statements for the FY 2019-20 of the respective Investment.				

Note-5 Financial Asset :Loans & Advances				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Unsecured Considered Good				
Deposits & Other Recoverables	192.11	183.33	25.21	195.50
Duties & Taxes Under Protest	-	-	71.47	72.20
Advance to Subsidiaries & Step-down Subsidiaries	-	-	73.33	718.96
Total	192.11	183.33	170.00	986.66
Note-6 Other Asset				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Pre operative & Mining Development	105.91	60.54		-
Cenvat & Input tax credit	-	-	1,470.57	700.13
Advance to Vendors	-	-	777.88	395.31
Advance to Related Parties	-	-	7.00	638.16
Advance to others	-	-	18.10	27.35
Advance against expenses	-	-	2.25	6.46
TDS/TCS Receivable & Refundable	-	-	115.04	107.60
Prepaid expenses/ Interest Accrued	-	-	10.45	13.37
Total	105.91	60.54	2,401.29	1,888.39
Note-7 Inventories				
Particular			31-Mar-21	31-Mar-20
(Valued at lower of cost and net realizable value)				
Raw Materials			1,161.11	923.91
Work-in-progress;			143.31	124.92
Finished goods;			4,535.22	3,734.13
Consumable Stores and spares;			756.41	728.31
Scrap			73.47	73.38
Total			6,669.52	5,584.66
Note - 7.1 Particulars of Inventory				
Raw Materials			31-Mar-21	31-Mar-20
Marble & Granites Blocks			909.85	712.69
Quartz Granule			251.26	211.22
Total			1161.11	923.91
Finished Goods				
Marble and Granite Slabs			2646.42	2666.96
Quartz Slabs			1888.80	1065.13
Natural Sandstone Slabs			-	2.05
Total			4535.22	3734.13
Work-in-Progress				
Unpolished Slabs			143.31	124.92
Total			143.31	124.92

Note-8 Trade Receivable				
Particular	31-Mar-21	31-Mar-20		
Unsecured, considered good unless stated otherwise				
Others	4,182.56	2,857.14		
Less : Allowance for Expected Credit Loss	53.22	11.17		
Total	4,129.34	2,845.97		
Note-9 Cash & Cash Equivalents				
Particular	31-Mar-21	31-Mar-20		
Cash and Cash Equivalents				
Balances with banks	889.88	107.92		
Cash on Hand	23.70	30.41		
Total	913.57	138.33		
Note-10 Other Bank Balances				
Particulars	31-Mar-21	31-Mar-20		
Other Bank Balances (Earmarked)				
Balances with banks held as Margin Money	1,999.17	756.58		
Total	1,999.17	756.58		
Note-11 Other Financial Asset				
Particular	31-Mar-21	31-Mar-20		
Other Receivables	-	3.63		
Accrued Interest	3.28	3.44		
Total	3.28	7.07		
Note-12 Equity Share Capital				
(Rupees in Lakhs)				
Particular	31-Mar-21	31-Mar-20		
Authorised				
25000000 Equity Shares of Rs. 10 each	2,500.00	2,500.00		
(P.Y.25000000 Equity Shares of Rs. 10 each)				
Issued, Subscribed & Paid-up				
(1,351,500 Equity Shares of Rs. 10/-each, fully paid up)	135.15	135.15		
Right Issue				
(2094825 Equity shares of Rs. 10/-each fully paid up) Right Issue	209.48	209.48		
Total	344.63	344.63		
Note 12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity Shares	31-Mar-2021		31-Mar-2020	
	Number	Amount	Number	Amount
At the beginning of the period	3,446,325	344.63	1,351,500	135.15
Issued during the period			2,094,825	209.48
Bought back during the period		-	-	-
Outstanding at the end of the period	3,446,325	344.63	3,446,325	344.63
Note 12.2 Terms/ Rights attached to Equity Shares				
1.The company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.				
2.In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				

Note 12.3 Details of Shareholders holding more than 5% equity shares in the Company				
Shareholder	31-Mar-21		31-Mar-20	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Geeta Devi Agarwal	500,574	14.52	500,574	14.52
Kapil Agarwal	375,869	10.91	375,869	10.91
Jagdish Prasad Agarwal	260,101	7.55	260,101	7.55
Rahul Marble Private Limited	685,868	19.90	803,000	23.30
Ankit Agarwal	288,740	8.38	171,560	4.98
	2,111,152		2,111,104	
Note-13 Other Equity*				
Particular	31-Mar-21		31-Mar-20	
A) Security Premium				
Balance as at the beginning of the period	2,283.36		-	
Changes During the year	-		2,283.36	
Balance as at the end of the period	2,283.36		2,283.36	
B) Retained Earnings & General Reserve				
Balance as at the beginning of the period	6,278.14		6,267.91	
Changes During the year	776.36		10.23	
Balance as at the end of the period	7,054.50		6,278.14	
C) Items of Other Comprehensive Income on Investments				
Balance as at the beginning of the period	67.89		97.03	
Changes During the year	95.23		(29.14)	
Balance as at the end of the period	163.11		67.89	
D) Items of Other Comprehensive Income Remeasurement of Defined Benefit Plans				
Balance as at the beginning of the period	(34.64)		(23.16)	
Changes During the year	13.66		(11.48)	
Balance as at the end of the period	(20.98)		(34.64)	
Balance as at 31 March 2021	9,480.00		8,594.75	
Description and nature of other equity:-				
Security Premium: This reserve is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Act				
General Reserve : It represents the actuarial gain or loss arising from the fair value measurement of investments made in Shares				
Retained Earnings: It represents the surplus amount available in profit and loss as retained earnings and Gain/Loss on Sale of Investment on which Irrevocable Option taken for Designated at FVTDCI for Long Term Strategic Reason. The reserve can be distributed/ utilised by the company in accordance with the Companies Act,2013.				
Other Comprehensive Income: It represent the actuarial gain or loss arising from the remeasurement of defined benefit obligation and fair value measurement of investments.				
*Quantitative data mentioned in statement of changes in equity				

Note-14 Long Term Borrowings				
Particular	Long Term		Short Term	
	3/31/2021	31-Mar-20	31-Mar-21	31-Mar-20
<u>LOANS - SECURED</u>				
(i) Vehicle Loan				
Axis Bank	290.28	70.68	94.84	97.96
HDFC Bank	104.02		30.54	
(ii) Term Loan				
HDFC Bank	1,661.44	1,850.59	605.83	541.86
<u>LOANS - UNSECURED</u>				
(i) From Related parties				
From Directors	18.52	60.84	-	-
From Companies (Subsidiaries and Step Down Subsidiaries)	6,742.60	5,074.99	-	-
From Other Companies	24.05	226.35	-	-
(ii) From other than Related parties				
From Companies	5.89	5.89	-	-
From NBFC	106.35		-	-
<u>Securities Deposits from customers</u>	22.28	22.28	-	-
Total	8,975.43	7,311.63	731.22	639.82
The above amount includes				
Secured borrowings	2,055.74	1,921.28	731.22	639.82
Unsecured Borrowings	6,919.68	5,390.35	-	-
Amount Disclosed under Current Maturities of Long term Borrowing Under Note No.19			(731.22)	(639.82)
Total	8,975.43	7,311.63	-	-
(a) Loans from Axis Bank for Vehicles carries interest @ 8.80%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.				
(b) Term Loan For New Shed from HDFC Bank Carries Interest @ Repo Rate + 4.25% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company.				
(c) Term Loan For Quartz (Taani) from HDFC Bank Carries Interest @ Repo rate+3.75 % is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 60 monthly installments.				
(d) Loans from Axis Bank for Vehicles carries interest @ 8.11%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.				
(e) Working capital Term loan from HDFC bank carries Interest @8.25% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 48 monthly installments.				
(f) Loans from HDFC Bank for Vehicles carries interest @7.50%. The loans are repayable in 48 monthly installments and the loans are secured by hypothecation of respective assets.				
(g) Loans from Sai Baba finvest Pvt. Ltd. (NBFC) carries interest @7.50%.				

Note-15 Provisions				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
(a) Provision for Expected Credit Loss			53.22	11.17
(b) Provision for Employees Benefit				
(i) Provision for Gratuity	315.51	215.74	44.44	117.82
(ii) Provision for Leave Encashment	-	-	50.02	42.41
(iii) Provision for Bonus & Ex-gratia	-	-	11.55	44.15
Total	315.51	215.74	159.23	215.55
Note 15.1 The company has made provision for gratuity based on actuarial valuation determined by Independent Actuary in accordance with IND AS-19.				
Note 15.2 The company has made provision for Leave Encashment based on Management policy.				
Note-16 Deferred Tax Liability (Net)				
Particular	31-Mar-21		31-Mar-20	
Deferred Tax Liability				
Related to Fixed Assets	422.27	-		
Deferred Tax Assets				
Related to Employee Benefit Expenses	77.86	-		
Related to Unabsorbed losses and Depreciation	170.64	-		
Related to OCI	2.89	-		
Total	170.88	-		
Note-17 Short-term Borrowings				
Particular	31-Mar-21		31-Mar-20	
Foreign Currency Loan	1,992.99	1,280.09		
Total	1,992.99	1,280.09		
The above loan from HDFC Bank which carries Interest @ LIBOR+200 bps is secured by way of Hypothecation of Inventory i.e. Raw Materials, Stock in Process, Finished Goods, Stores & Spares and Book Debts, bill whether documentary or clean, outstanding monies, receivables, both present and future, equitable mortgage of properties & the facility is subject to annual renewal and it also carries an unconditional and irrevocable personal guarantees of the Whole Time Directors and property holders.				
Note-18 Trade Payable				
Particular	31-Mar-21		31-Mar-20	
Sundry Creditors for Raw Material	3,244.82	1,777.96		
Sundry Creditors for Expenses	326.69	132.13		
Sundry Creditors for Others	97.91	131.35		
Total	3,669.41	2,041.44		
Note 18.1 The Company has the process of identification of suppliers registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmation from suppliers. Based on the information available with the Company, there are no overdues more than 45 days, payable to the suppliers as defined under the 'Micro, small and Medium Enterprises Development Act, 2006 as at March 31, 2021. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:				

Particulars	31-Mar-21	31-Mar-20
Dues Remaining Unpaid		
The Principle amount remaning unpaid to any supplier as at the end of the year	-	-
Interest Due on the above amount	-	-
The amount of interest paid by in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
Amount of the Payment made to the supplier beyond the due date during the year.	-	-
Amount of Interest due and payable for the Period of delay in making payment (Which have been paid but beyond the due date during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development act 2006	-	-
Amount of Interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actual paid to the small enterprise	-	-
Total		
Note-19 Financial Liability - Other		
Particular	31-Mar-21	31-Mar-20
Trade Payable for Capital Goods	1,584.57	230.36
Current maturities of long-term borrowings (Includes current maturities	731.22	639.82
Interest accrued but not due on Borrowings	20.07	2.02
Security deposits	10.78	9.60
Statutory Dues	157.81	21.59
Other Current Liabilities	171.28	131.78
Total	2,675.73	1,035.18
Note-20 Other Current Liabilities		
Particular	31-Mar-21	31-Mar-20
Advances from Customers	844.61	389.49
Total	844.61	389.49
Note 20.1 Above advance from customers includes Rs 125.57 Lacs from related parties in Current year (Previous Year Nil)		
Note-21 Current Tax Liability (net)		
Particular	31-Mar-21	31-Mar-20
Provision for Income Tax	199.26	3.14
Total	199.26	3.14
Note-22 Revenue From Operation		
Particular	31-Mar-21	31-Mar-20
<i>Sale of products</i>		
Export Sales(Including Deemed Export)	13,883.67	5,639.34
Domestic Sales	3,791.01	4,014.25
	-	-
Other Operating Revenue	0.59	65.57
	-	-
Revenue from Operation (Gross)	17,675.26	9,719.16

Note 22.1 Particulars of Products Sold	31-Mar-21	31-Mar-20
(i) Export Sales		
Granite	3026.71	4156.68
Quartz	10856.96	1482.66
(ii) Domestic Sales		
Granite	649.82	1154.68
Quartz	365.13	139.24
Iron Ore	2,776.06	2712.64
Scrap	-	7.69
Note-23 Other Income		
Particular	31-Mar-21	31-Mar-20
Share in Profit/loss of Gamut Tradecom LLP	207.21	213.76
Duty Drawback/Royalty & DMFT Received	95.19	
Profit on Sales of Assets	-	10.01
Interest Income	74.01	171.55
Exchange Rate Fluctuation	108.03	111.86
Miscellaneous Income	3.76	7.06
Commission Income	11.05	195.00
Total	499.24	709.24
Note :- Share in Profit/loss of Gamut Tradecom LLP has been taken on the basis of last available Audited Balance Sheet for the year Ending 31.03.2020		
Note-24 Cost of Materials Consumed		
Particular	31-Mar-21	31-Mar-20
Raw Materials Consumed		
Opening Stock	923.91	1,212.44
Add: Purchases	6,631.05	3,557.42
	7,554.96	4,769.86
Less: Closing Stock	1,161.11	923.91
Cost of Material Consumed	6,393.85	3,845.94
Note 24.1 Particulars of Raw Materials Consumption		
Particulars	31-Mar-21	31-Mar-20
Granite Block	1,276.63	2,366.63
Quartz Granual	1,940.39	589.03
Polyester Resin	3,176.84	890.29
Total	6,393.85	3,845.94
Note-25 Purchase of Stock-in-Trade		
Particulars	31-Mar-21	31-Mar-20
Granite	212.34	103.86
Iron Ore Concentrate	2,556.00	1966.52
Total	2768.33	2070.38

Note-26 Changes in inventories of Finished Goods, Work-in-Progress		
Particular	31-Mar-21	31-Mar-20
Opening Stock		
Work-in-Progress	124.92	272.57
Finished Goods	3,734.13	2,540.36
Scraps	73.38	80.84
Total [I]	3,932.43	2,893.77
Closing Stock		
Work-in-Progress	143.31	124.92
Finished Goods	4,535.22	3,734.13
Scraps	73.47	73.38
Total [II]	4,751.99	3,932.43
Change in inventories Total [I-II]	(819.56)	(1,038.67)
Note-27 Employee Benefits Expense		
Particular	31-Mar-21	31-Mar-20
Salaries, Wages and Bonus	684.20	810.52
Contribution to Provident and other funds	133.08	144.62
Staff Welfare Expenses	20.11	85.07
Total	837.39	1,040.21
Note-28 Finance Cost		
Particular	31-Mar-21	31-Mar-20
Bank Charges	14.14	11.02
Interest on Term Loan	191.64	188.98
Interest On PCFC	45.04	51.52
Interest on Other	21.76	3.36
Interest On Unsecured Loan	320.62	310.74
Total	593.19	565.62
Note-29 Depreciation and Amortisation Expenses		
Particular	31-Mar-21	31-Mar-20
Depreciation	838.97	708.09
Pre-Operative Expenditure Written Off	-	0.58
Total	838.97	708.67
Note-30 Other Expenses		
Particular	31-Mar-21	31-Mar-20
Manufacturing Expenses		
Consumption of Stores, Spares & Consumables	3421.50	1,764.46
Power & Fuel Expenses	334.60	443.38
Factory and Mining Expenses	178.97	14.47
Freight Charges	19.49	5.75
Slurry & Trans. Expenses	2.85	46.52
Repairs & Maintenance -		
Plant & Machineries	81.41	20.93
Building	0.00	1.85
Mining expenses/Quartz Sorting Expenses		
TOTAL [A]	4,038.81	2,297.36

Administrative & Other Expenses	31-Mar-21	31-Mar-20
Communication Expenses	16.22	24.38
Conveyance/ Travelling Exp	21.61	6.61
Demand & Interest	7.49	8.27
Exchange Rate Fluctuation	68.32	64.58
Festival Expenses	4.36	5.26
Donation	1.00	-
Fees & Subscription	20.64	21.72
Gardening Expenses	0.01	0.09
Income Tax	2.85	-
Insurance Expenses	20.48	9.08
Legal & Professional	31.94	15.39
Ecl Provision	42.05	11.17
Listing, RTA & Related Expenses	1.50	3.36
Medical Exp.	0.06	0.19
Balances written off	777.89	-
Miscellaneous Expenses	73.95	80.14
Office Expenses	40.28	13.77
Payment to Auditors (Refer details Below)	5.04	7.79
Penalties (Income tax)	-	1.15
Other penalties	-	0.53
Printing & Stationary	21.97	12.70
Duty/Rates & Taxes	2.68	10.47
Repairs & Maintenance (Others)	16.45	8.28
Security Service Charges	51.97	36.83
Vehicle Running & Maintenance Expenses	34.00	34.85
Right issue expenses	-	0.74
Dead Rent/ Hire Charges	24.13	10.60
Workmen Compensation	145.21	-
TOTAL [B]	1,432.12	387.94
SELLING & DISTRIBUTION EXPENSES	31-Mar-21	31-Mar-20
Advertisement & Sales Promotion Expenses	57.63	14.20
Commission Expenses	0.78	12.18
Exhibition Expenses	4.91	71.32
Freight & Forwarding /Loading	820.02	330.78
Insurance - Marine	8.32	3.52
Marketing & Travelling Expenses	59.27	106.89
TOTAL [C]	950.92	538.88
GRAND TOTAL [A+B+C]	6,421.85	3,224.18
Note-30.1 Payment to Auditor		
Particular	31-Mar-21	31-Mar-20
Audit Fees	5.00	5.00
Reimbursement of Expenses	0.04	2.79
Total	5.04	7.79

Note-31 Corporate Social Responsibility Expenditure

The company has no Obligation for CSR Expenses for FY 2020-21 as per Sec 135 of Company Act 2013.

Note-32 Income Tax Recognised in Statement of Profit or Loss

Particular	31-Mar-21	31-Mar-20
Current Tax		
In respect of Current year		
Regular Tax		-
MAT	199.26	3.14
MAT Credit		-
In respect of earlier year		(9.61)
Total Current tax	199.26	(6.47)
Deferred Tax	164.85	-

The movement of deferred tax assets and liabilities during the year ended March 31, 2021

Particular	As at 1 April, 2020	(Credit)/ Charge in statement of Profit and Loss	(Credit) / Charge in Other Comprehensive Income	As at 31st March, 2021
Deferred Tax Assets/ (Liabilities)				
Depreciation		(422.27)		(422.27)
Gratuity & Compensated Absence		77.86	2.89	80.75
Unabsorbed losses and Depreciation		170.64		170.64
Total		(173.77)	2.89	(170.88)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	31-Mar-21	31-Mar-20
Profit before income taxes	1,140.47	12.07
Enacted tax rate in India	17.472%	26.000%
Computed expected tax expenses	199.26	3.14
Effect of Allowances for tax purpose		
Effect of Non deductible expenses		
Others		(9.61)
Tax expense recognised in Statement of Profit and Loss	199.26	(6.47)

Note-33 Earning Per Share

Particulars	31-Mar-21	31-Mar-20
Profit after tax	776.36	18.54
Weighted average no. of Equity Share Outstanding	3,446,325	2,604,961
Nominal value of Ordinary share (INR)	10.00	10.00
Basic & diluted earning per share (INR)	22.53	0.71

Note-34 Lease

The company has taken mines on Operating Lease from "Department of Mines & Geology" and minimum yearly rental is being paid which is adjusted against royalty amount, if payable.

Note-35 Employee Benefit
(A) Defined Contribution Plan:-

The Company operates defined contribution retirement benefit plans for all qualifying employees. Contributions are made to registered provident fund and Employee state insurance administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31-Mar-21	31-Mar-20
Contribution to provident fund and other fund recognised in Statement of Profit and Loss	46.35	69.46
Contribution to ESI in Statement of Profit and Loss	6.89	12.06

(B) Defined Benefit Plan:-
Gratuity

In accordance with the provisions of Payment of Gratuity Act, 1972, the company has defined benefit plan which provides for gratuity payment. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the year of employment with the company. The company's gratuity plan is an unfunded plan.

These plans typically expose the Company to actuarial risks such as: Actuarial Risk, Investment Risk, Liquidity Risk, Market Risk & Legislative Risk:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience : Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk :

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	31-Mar-21	31-Mar-20
Discount Rate	6.40%	6.45%
Future Salary Growth rate	6.00%	6.00%
Rate of Return on Plan Assets	-	-
Mortality table used Indian Assured Lives Mortality (2006-08) Ultimate	10% at younger ages reducing to 2% at older ages	

Projected Benefit Obligation

Particulars	31-Mar-21	31-Mar-20
Projected benefit Obligation at beginning of the year	333.55	286.00
Interest Cost	20.94	19.94
Current Service Cost	51.34	20.78
Past Service Cost	-	-
Actuarial (Gain)/Loss	(16.55)	11.48
Benefits paid	(29.33)	(4.64)
Projected benefit Obligation at end of the year	359.95	333.55

Amount recognised in the Balance Sheet:

Particulars	31-Mar-21	31-Mar-20
Amount recognised in the Balance Sheet:		
Projected benefit Obligation at end of the year	359.95	333.55
Fair Value of Plan Assets as at year end	-	-
Net (Asset)/Liability recognized in the Balance Sheet	359.95	333.55

Cost of the defined benefit plan for the year:

Particulars	31-Mar-21	31-Mar-20
Current Service Cost	51.34	20.78
Interest Cost	20.94	19.94
Past Service Cost	-	-
Expected Return on plan Asset	-	-
Components of defined benefit cost recognised in the Statement of Profit & Loss	72.28	40.72

Remeasurement on the net defined benefit liability:

Experience Adjustment

Particulars	31-Mar-21	31-Mar-20
Present value of defined benefit obligation	359.95	333.55
Fair Value of plan assets	-	-
Balance Sheet (Liability)/ Asset	359.95	333.55
P&L (Income)/ expenses		
Experience adjustment on plan liabilities (gain)/ loss	(22.58)	20.42
Experience adjustment on plan assets gain/ (loss)	-	-

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

	31-Mar-21		31-Mar-20	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate - 0.5%	347.33	373.39	321.55	346.34
Salary Growth rate - 0.5%	372.76	347.74	345.83	321.89
Withdrawal rate - 10%	360.65	359.18	334.45	332.55

Leave Encashment

Compensated absence liability recognised as expense for the year is Rs. 14.08 Lakhs (Previous Year Rs. 22.31 Lakhs). The said amount has been calculated by the management. It has been calculated on the basis of leaves accumulated during the year other relevant factors.

Note-36 Capital Management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

Note-37 Related Party Disclosures

The Company has made the following transactions with related parties as defined under the provisions of Indian Accounting Standard-24 issued by the Institute of Chartered Accountants of India & notified by MCA under Companies (Indian Accounting Standard) Rules, 2015, as amended.

List of related parties with whom transaction have taken place during the year along with the nature and volume of transaction is given below from 01.04.2020 to 31.03.2021.

Particulars	Relation
Directors & Key managerial persons & their associate concerns	
Jagdish Magniram Agarwal	Managing Director
Kapil Jagdish Agarwal	Executive Director
Geetadevi Agarwal Agarwal	Non Executive Director
Pradeep Kumar Jain	Non Executive Independent Director
Vikash Mishra	Non Executive Independent Director
Vinod Choudhary	Non Executive Independent Director
Enterprises owned/controlled by directors & their relatives	
Geetanjali Marble	Director is Partner in the Firm
Krishna Marble	Director is Partner in the Firm
Ojaswi Marble & Granites P Ltd	Director is the Director of the Company
Pacific Exports	Director is Partner in the Firm
Pacific Leasing And Research Ltd	Director is the Director of the Company
Rahul Marble Private Limited	Director is the Director of the Company
Yash Processors P Ltd	Director is the Director of the Company
Gaze Fashiontrade Limited	Subsidiary of Pacific Industries Ltd
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	Subsidiary of Pacific Industries Ltd
Biswas Solar Instrument Private Limited	Subsidiary of Gaze Fashiontrade Limited
Blood Hound Security Company Pvt Ltd	Subsidiary of Gaze Fashiontrade Limited
Radhika Vyapaar Pvt Ltd	Subsidiary of Gaze Fashiontrade Limited
Geetanjali Investech Holding India Pvt Ltd	Director is the Director of the Company
M R Agarwal Holding LLP	Director is Partner in the LLP
Pacific Iron Manufacturing Ltd	Director is the Director of the Company
Bhola Motors Finance Pvt Ltd	Director is the Director of the Company
Chaitanya International Minerals LLP	Director is Partner in the LLP
Gamut Tradecom LLP	Director is Partner in the LLP
Geetanjali Industrial Mineral P. Ltd.	Director is the Director of the Company
Taanj Quartz INC	Subsidiary of Pacific Industries Ltd
Transactions with Key management persons	

Nature of transaction	31-Mar-21	31-Mar-20
Remuneration	48.00	48.00
Employer's Contribution to Provident Fund	5.76	5.76
Loan Outstanding as 31st march (Liabilities)	18.52	60.84
Out of the above items, transactions in excess of 10% of the total related party transactions are as under:		
Remuneration	31-Mar-21	31-Mar-20
Kapil Agarwal	24.00	24.00
J.P. Agarwal	24.00	24.00
Employer's Contribution to Provident Fund	31-Mar-21	31-Mar-20
Kapil Agarwal	2.88	2.88
J.P. Agarwal	2.88	2.88
Loan outstanding as 31st march (Liabilities)	31-Mar-21	31-Mar-20
Geeta Devi Agarwal	2.83	14.83
Kapil Agarwal	15.53	24.84
J.P. Agarwal	0.16	21.17
Transactions with Enterprises owned & controlled by the Directors and their relatives		
Nature of transaction	31-Mar-21	31-Mar-20
Purchase	3735.51	3404.46
Sales	751.49	-
Interest Received	11.68	81.32
Interest Paid	320.62	369.39
Trade Payables	693.72	398.84
Advance outstanding as on 31st March (Assets)	80.32	1357.12
Loan Outstanding as 31st March (Liabilities)	6766.65	5301.35
Investments	728.84	26.63
Assets Purchased	123.75	-
Trade Receivable	228.90	-
Advance outstanding (liability)	125.57	-
Out of the above items, transactions in excess of 10% of the total related party transactions are as under:		
Purchase		
Krishna Marble	-	12.32
Pacific Iron Manufacturing Ltd	2,556.00	2,085.49
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	42.03	145.22
Radhika Vyapaar pvt ltd	173.95	39.42
Biswas Solar Instruments Pvt Ltd	50.47	190.42
Chaitanya International Minerals LLP	824.68	490.80
Ojaswi Medical & Healthcare Private Limited	-	368.12
Blood Hound Security Company Pvt Ltd	23.45	72.65
Geetanjali Industrial Mineral P. Ltd.	64.94	-
Sales		
Chaitanya International Minerals LLP	605.27	-
Taanj Quartz INC	123.67	-
Ojaswi Marble & Granites P Ltd	22.54	-
Interest received		
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	7.56	74.93
Gaze Fashion Trade Ltd	4.12	6.39

<u>Interest Paid</u>		
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	23.28	14.98
Bhola Motor Finance Pvt Ltd	16.59	51.36
Radhika Vyaapar Pvt Ltd	55.15	27.07
Biswas Solar Instruments Pvt Ltd	149.94	196.60
Blood Hound Security Company Pvt Ltd	75.65	79.39
<u>Trade Payable</u>		
Pacific Iron Manufacturing Ltd	177.84	-
Krishna Marble	29.50	37.81
Yash processors Pvt Ltd	58.64	67.89
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	-	95.09
Radhika Vyaapar pvt ltd	94.71	13.38
Biswas Solar Instruments Pvt Ltd	18.18	48.24
Chaitanya International Minerals LLP	233.06	136.23
Geetanjali Industrial Mineral P. Ltd.	78.83	-
Blood Hound Security Company Pvt Ltd	2.31	-
Others (Below 10%)	0.64	0.20
<u>Advance Outstanding (Assets)</u>		
Pacific Iron Manufacturing Ltd	-	521.58
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	-	643.11
Biswas Solar Instruments Pvt Ltd		7.33
Gaze Fashion Trade Ltd	73.33	68.52
Others (Below 10%)	7.00	116.58
<u>Loan Outstanding (Liabilities)</u>		
Radhika Vyapaar Pvt Ltd	1782.72	345.95
Gist Minerals Technologies Limited (Including merged Figures of Saha Coloured and flavour manufacturer pvt ltd.)	2,135.14	267.64
Bhola Motor Finance Pvt Ltd	24.05	226.35
Biswas Solar Instruments Pvt Ltd	1365.27	3603.57
Blood Hound Security Company Pvt Ltd	1459.47	857.82
<u>Investments</u>		
Gist Minerals Technologis Ltd	10.00	10.00
Gaze Fashion Trade Ltd	10.00	10.00
Gamut Tradecom LLP	708.84	6.63
<u>Assets Purchased</u>		
Pacific Iron Manufacturing Ltd	11.75	-
Ojaswi Medical & Healthcare Private Limited	112.00	-
<u>Trade Receivable</u>		
Chaitanya International Minerals LLP	78.48	-
Ojaswi Marble & Granites P Ltd	26.60	-
Taanj Quartz INC	123.82	-
<u>Advance outstanding (liability)</u>		
Krishna Marble	125.57	-

Note-38 Contingent Liabilities/Commitments, Contingent Assets & Pending Litigations
Contingent Liabilities

(A) Claims against the company not acknowledged as debt.

A.1 Demand Raised by the Central Excise Commissionerate of Rs. 170.62 Lacs against which Rs. 62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending.

A.2 The company has a total demand of Rs. 78.39 lacs of Custom Duty out of which the company has deposited Rs. 9.21 Lacs under protest against which the company has filed an appeal.

(B) Other Contingent Liabilities

B.1 Show cause notice received from excise authorities of Rs 1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.

B.2 Show Cause notice received from excise authorities of Rs 4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.

B.3 Show Cause notice Received From Custom Authorities of RS 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017. However, no demand has been received from the custom authorities against the same and based on legal opinion obtained, the company does not expect any liabilities on this account.

(C) Capital Commitments and other Commitments

Particulars	31-Mar-21	31-Mar-20
Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)		-
Exports obligation under Export Promotion Capital goods (EPCG) scheme*	3022.23	5354.93 lacs

*company is availing benefit under EPCG Scheme for import of Capital goods and spare parts against obligation to export 6 times of the duty saved. Total duty to be saved/saved against licenses outstanding as at March 31, 2021 is Rs.503.70 Lacs (March 31,2020 Rs. 892.49 Lacs). Export Obligation on such licenses outstanding as at year end is disclosed above.

(D) Contingent Assets - Nil

Note 39: Fair Value Measurement and Financial Risk Management

Note 39(A): Fair value Measurement

The following table shows the carrying amounts and fair values of Investments including their levels in the fair value hierarchy.

Financial assets	Fair Value as at		Fair Value	Valuation techniques & key
	31-Mar-21	31-Mar-20		
Investments in quoted equity instruments at FVTOCI	166.60	71.36	Level-1	Quoted market price in an active market
Investments in unquoted instruments at Amortized Cost	729.23	27.03	Level-3	Refer Note (b)Below

Particulars	31-Mar-21		31-Mar-20	
	Amortised cost	Carrying value	Amortised cost	Carrying value
Financial Assets				
(i) Trade receivables	4,129.34	4,129.34	2,845.97	2,845.97
(ii) Loans	362.11	362.11	1,169.99	1,169.99
(iii) Others	3.28	3.28	7.07	7.07
(iv) Bank Balance	889.88	889.88	107.92	107.92
Total	5,384.60	5,384.60	4,130.95	4,130.95
Financial Liabilities				
(i) Borrowings	10,968.42	10,968.42	8,591.72	8,591.72
(ii) Trade payables	3,669.41	3,669.41	2,041.44	2,041.44
(iii) Other financial liabilities	2,675.73	2,675.73	1,035.18	1,035.18
Total	17,313.56	17,313.56	11,668.34	11,668.34

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

Note 39(B): Financial Risk Management

Financial risk management policy and objectives

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings from Banks, trade and other payables. The main purpose of these financial liabilities is to finance Company's operations and plant expansion. Company's principal financial assets include investments, trade and other receivables, deposits with banks and cash and cash equivalents, that derive directly from its operations.

Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments in equity shares, security deposits, trade and other receivables, deposits with banks and financial liabilities.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign exchange risk arising from foreign currency transactions primarily to USD & EURO. Company do not enter into any derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change by 5% in USD & EURO exchange rates, with all other variables held constant.

Financial Exposure	31-Mar-21	31-Mar-20
Financial liabilities:		
USD Converted in Rupees	3,446.98	1,520.90
EURO Converted in Rupees	318.90	400.18
Net exposure	3,765.88	1,921.08

Sensitivity Analysis

Currency	Amount in INR	
	31-Mar-21	31-Mar-20
USD	3,446.98	1,520.90
EURO	318.90	400.18

Currency	5% increase		5% decrease	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
USD	172.35	76.04	(172.35)	(76.04)
EURO	15.94	20.01	(15.94)	(20.01)

b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to change in interest income and expense for the Company. In order to optimize the Company's position with regards to interest income & expense and to manage the interest risk, the Company performs comprehensive interest risk management by balancing the proportion of fix & variable rate financial instruments.

Particulars	31-Mar-21	31-Mar-20
Fixed rate instruments		
Fixed deposit with Banks	1,999.17	756.58
Borrowings		
Vehicle loans	519.69	168.64
Variable rate instruments		
Borrowings		
Term Loan (HDFC)	2,267.27	2,392.45
Foreign Currency Loan	1,992.99	1,280.09

Sensitivity analysis:

A change in 50 basis point in interest rate at the reporting date would have increase/(decrease) Profit or Loss by the amount shown below.

This analysis assumes that all other variables, remain constant.

Particulars	31-Mar-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
Interest rate - increase/decrease by 50 basis point	213.01	(213.01)	183.63	(183.63)

c) Commodity Risk

Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Credit risk on trade receivables is managed by the Company 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 has no concentration of risk as customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

a) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment Company adjust its exposure to various counterparties. Company's maximum exposure to credit risk for the components of balance sheet is the carrying amount as disclosed in Note 41.

Credit risk exposure

The following table shows the maximum exposure to the credit risk at the reporting date :

Particulars	31-Mar-21		31-Mar-20	
	Non Current	Current	Non Current	Current
Loans	192.11	170.00	183.33	986.66
Trade Receivables		4,129.34	-	2,845.97
Cash equivalents		2,912.74	-	894.91
Other financial assets		3.28	-	7.07
Total	192.11	7,215.35	183.33	4,734.61

Particulars	31-Mar-21		31-Mar-20	
	<6 months	>6months	<6 months	>6months
Trade Receivables	3479.35	649.99	1572.14	1273.82

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.

The table summarises the maturity profile of Company's financial liabilities as follows:

Particulars	31-Mar-21		
	Within 1 year	>1 years	Total
Borrowings	1992.99	8,975.43	10,968.42
A	2675.73		2,675.73
Trade and other payable	3669.41		3,669.41
Particulars	31-Mar-20		
	Within 1 year	>1 years	Total
Borrowings	1280.09	7,311.63	8,591.71
Other liabilities	1035.18	-	1,035.18
Trade and other payable	2041.44	-	2,041.44

Note 40 : During the year under review the company has undertaken an exercise to reconcile all old outstanding balances and all old balances which are unreconciled / considered non recoverable amounting to Rs 777.89 Lacs have been written off during the year.

Note 41. Segement Reporting
 Company has considered business segment as the primary segment for disclosure. The business segments are Marble & Granite, Trading other than Marble & Granite & Other Services.

PARTICULARS	FOR THE YEAR ENDED	
	31-Mar-21	31-Mar-20
Segment Revenue		
A. Stone - Granite and Quartz	14899.20	6811.52
B. Trading Other than Marble & Granite	2776.06	2712.64
C. Others Services	-	195.00
Revenue From Operations(Including Other Income)	17675.26	9719.16
Segment Results		
Profit/Loss Before Charging Unallocable Expenditures		
A. Stone - Granite and Quartz	1562.09	(331.82)
B. Trading Other than Marble & Granite	171.58	744.80
C. Others Services	-	164.71
Unallocable Expenses (Tax+Finance Cost)	593.19	565.62
Net Result	1140.47	12.07
Segment wise capital employed (Segment Assets- Segment Liabilities)		
A. Stone - Granite and Quartz	17834.15	15482.46
B. Trading Other than Marble & Granite	722.77	573.55
C. Others Services	243.14	195.00
Total	18800.06	16251.01

Note 42.Covid-19
 The Spread of COVID-19 has impacted business around the globe. In India, Governments in certain states have imposed various restrictions with the increase in number of COVID -19 cases during the months of March, April and May 2021. The company has considered various internal and external information available up to the date of approval of these financial statements in assessing the impact of COVID-19 pandemic on the financial results for the year ended March 31, 2021.

On the basis of assessment done by the company and based on the internal/external sources of information and application of reasonable estimates, the company has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the financial results.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID-19, which may impact above assessment.

Note 43. Code on Social security

The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules to determine the financial impact are notified and the Code becomes effective

Note 44. The Company has Closed its Bangalore Unit w.e.f, 31st Oct 2020 and Workmen Compensation Expenses of Rs 1.45 Crores related to this unit has been provided in the books of Accounts as estimated by the management but still the matter is pending with office of Assistant Labour Commissioner and order of the same is yet to be passed.

Note 45. The company has Incorporated US Based Wholly Owned Subsidiary Company named as "TAANJ QUARTZ INC." and company is in process to subscribe the share capital of the same.

Note 46. The previous year's figures have been regrouped, rearranged and reclassified to conform to current year Ind-AS presentation requirements.

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(Paras Bhatia)
Partner
M.No. 418196

Date: 30th June 2021
Place: Udaipur

For and on behalf of Board of Directors
Pacific Industries Limited

(J.P. Agarwal)
(Chairman & Managing Director)
DIN:00386183

(Kapil Agarwal)
(Executive Director & CFO)
DIN:00386298

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS2451B)

Independent Auditor's Report on the Consolidated Ind AS Financial Statements

To

The Members of

PACIFIC INDUSTRIES LIMITED,

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Pacific Industries Limited (hereinafter referred to as the ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act 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 on the Consolidated Financial Statements.

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

- a. Gist Minerals Technologies Limited (Subsidiary)
- b. Gaze Fashion trade Limited (Subsidiary)

- c. Radhika Vyapaar Private Limited (Step Down Subsidiary)
- d. Biswas Solar Instrument Private Limited (Step Down Subsidiary)
- e. Blood Hound Security Company Private Limited (Step Down Subsidiary)
- f. Taanj Quartz Inc. (Foreign Subsidiary)

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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.

The Key Audit Matter	How was the matter addressed in our audit
Revenue Recognition: -	
Revenue is one of the key profit drivers. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, around dispatches / deliveries, inventory reconciliations and substantive testing for cut-offs and analytical review procedures.

Emphasis of Matter Paragraph

We invite attention to Note No-44 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31st March 2021, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our Opinion is not modified on the above matters.

Information other than the Consolidated Financial Statements and Auditors' Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of 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 and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its subsidiaries 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 the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company 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 respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company

Auditors' Responsibilities for the Audit of the Consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of Five Wholly Owned Indian subsidiaries and one wholly owned US Based subsidiary, a whose Ind AS financial statements, includes total assets of Rs 26017.48 Lacs as at March 31, 2021, and total revenues of Rs 525.91 Lacs and net cash inflows of Rs 132.14 Lacs for the year ended on that date and financial statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Report on Other Legal & Regulatory Requirement

1. The report does not include a statement on the matters specified in paragraph 3 & 4 of the companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion the said order is not applicable to the presentation of Consolidated Financial Statements.

2. (A) 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of

the directors of the Group companies, is disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company, its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion, the managerial remuneration for the year ended 31st March 2021, has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements;
 - ii. The Company and its Subsidiaries did not have any long-term contract including derivatives contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C

(CA Paras Bhatia)
Partner
M.No. 418196
UDIN: 21418196AAAADB1079
Date: 30th June, 2021
Place: Udaipur

Annexure I to the Independent Auditors' Report of Pacific Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Pacific Industries Ltd (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Ravi Sharma & Company
Chartered Accountants
FRN: 015143C

(Paras Bhatia)
Partner
M.No.: 418196
UDIN: 21418196AAAADB1079
Date: 30th June, 2021
Place: Udaipur

Consolidated Balance Sheet as at 31st March 2021

S. No.	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant & Equipment	3	8,935.54	8,827.55
	(b) Capital work-in-progress	3	2,369.28	3.00
	(c) Other Intangible Asset	3	0.97	1.28
	(d) Financial Assets			
	(i) Investments	4	7,239.60	12,704.57
	(ii) Loans & Advances	5	3,672.50	2,100.31
	(e) Other non-current assets	6	1,731.85	1,683.55
	Total Non-current Asset		23,949.74	25,320.25
(2)	Current assets			
	(a) Inventories	7	6,711.92	5,584.66
	(b) Financial Assets			
	(i) Investments	4	2,246.28	1,925.50
	(ii) Trade Receivable	8	4,161.77	3,930.30
	(iii) Cash and Cash equivalents	9	1,126.15	222.17
	(iv) Other Bank Balances	10	1,999.17	756.58
	(v) Loans & Advances	5	4,867.78	1,861.98
	(vi) Other Financial Asset	11	4.19	732.11
	(c) Other current assets	6	2,503.75	2,012.19
	Total Current Asset		23,621.00	17,025.49
	Total Assets		47,570.74	42,345.74
II.	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity Share capital	12	344.63	344.63
	(b) Other Equity	13	34,787.61	33,677.99
	Total Equity		35,132.24	34,022.62
(2)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,232.83	2,236.64
	(b) Provisions	15	315.51	215.74
	(c) Deferred tax liabilities (Net)	16	170.88	
	Total Non-current Liabilities		2,719.22	2,452.38
(3)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,992.99	1,280.09
	(ii) Trade Payables	18	3,720.05	2,881.36
	(iii) Other Financial Liabilities	19	2,685.90	1,063.08
	(b) Other current liabilities	20	848.41	401.13
	(c) Provisions	15	159.23	215.55
	(d) Current tax liabilities (net)	21	312.70	29.53
	Total Current Liabilities		9,719.28	5,870.74
	Total Liabilities		12,438.50	8,323.12
	Total Equity and Liabilities		47,570.74	42,345.74

Significant accounting Policies

1 & 2

Notes forming Part of Financial Statements

1 to 50

As per our Report of even date

For Ravi Sharma & Co.

Chartered Accountants

(FRN 015143C)

For and on behalf of Board of Directors

Pacific Industries Limited

(J.P. Agarwal)

(Kapil Agarwal)

(Chairman & Managing
Director)

(Executive Director & CFO)

DIN:00386183

DIN:00386298

(Paras Bhatia)

Partner

M.No. 418196

Date: 30th June 2021

Place: Udaipur

(Sachin Shah)

(Company Secretary)

(PAN : CFLPS24518)

Consolidated Statement of Profit & Loss for the Year Ending March 2021

(Rupees in Lakhs)

S. No.	Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March 2020
I.	Revenue from operations	22	17,825.92	9,883.52
II.	Other income	23	760.51	1,021.37
III.	Total Revenue (I + II)		18,586.43	10,904.89
IV.	Expenses:			
	Cost of Materials Consumed	24	6,103.95	3,425.94
	Purchases of Stock-in-Trade	25	3,096.44	2,472.51
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(861.95)	(1,038.67)
	Employee Benefits Expense	27	926.12	1,075.79
	Finance costs	28	289.22	312.52
	Depreciation and amortization expense	29	844.20	712.26
	Other expenses	30	6,689.27	3,883.26
	Total expenses		17,087.24	10,843.60
V.	Profit before exceptional items and tax (III-IV)		1,499.19	61.29
VI.	Exceptional items		-	-
VII.	Profit before tax (V- VI)		1,499.19	61.29
VIII.	Tax expense:			
	(1) Current tax	32	293.00	29.12
	(2) Deferred tax and Other Taxes	32	164.85	(12.39)
	Total Tax Expenses		457.85	16.73
IX.	Profit (Loss) for the period		1,041.34	44.56
	Other Comprehensive Income			
(a)	(i) Items that will not be reclassified subsequently to profit or loss		16.55	(41.49)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		(2.89)	-
(b)	(i) Items that will be reclassified subsequently to profit or loss			
	(ii) Income tax relating to items that will be reclassified subsequently to profit or loss			
	Total Other Comprehensive Income		13.66	(41.49)
	Total Comprehensive Income for the year		1,055.00	3.08
X.	Earnings per equity share:			
	(1) Basic	33	30.22	1.71
	(2) Diluted	33	30.22	1.71
Significant accounting Policies		1 & 2		
Notes forming Part of Financial Statements		1 to 50		
As per our Report of even date			For and on behalf of Board of Directors	
For Ravi Sharma & Co.			Pacific Industries Limited	
Chartered Accountants				
(FRN 015143C)				
			(J.P. Agarwal)	(Kapil Agarwal)
			(Chairman &	(Executive Director
			Managing Director)	& CFO)
			DIN:00386183	DIN:00386298
(Paras Bhatia)			(Sachin Shah)	
Partner			(Company Secretary)	
M.No. 418196			(PAN : CFLPS2451B)	
Date: 30th June 2021				
Place: Udaipur				

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(Rupees in Lakhs)

Particulars		Year ended 31st March 2021	Year ended 31st March 2020
A.	Cash flow from Operating Activities		
	Profit before income tax	1,499.19	44.56
	Adjustment for		
	Depreciation and amortisation expenses	844.20	712.26
	Pre-Operative Expense		
	Profit on sale of Fixed Assets		(10.01)
	Loss on sale of Fixed Assets		-
	Loss on FVTPL		-
	Loss on Sale Of Share		9.24
	Finance Costs	289.22	312.52
	Actuarial Gain/ (Loss)	13.66	(11.48)
	Interest Income	(648.16)	(440.04)
	Change in operating assets and liabilities		
	(Increase) in Inventories	(1,127.26)	(956.10)
	(Increase)/Decrease in Trade receivables	(231.47)	1,373.77
	(Increase)/Decrease in financial assets	727.92	2,418.48
	(Increase)/Decrease in Other Current Assets	(491.56)	(891.64)
	Increase/(Decrease) in Provisions	43.45	66.47
	Increase/(Decrease) in Trade Payables	838.69	(997.02)
	Increase/(Decrease) in Other Current Liabilities	447.28	(6.19)
	Increase/(Decrease) in Other Financial Liabilities	268.59	(2,294.25)
	Cash generated from operations	2,473.76	(669.44)
	Income Tax paid	(3.80)	(37.32)
	Net cash flow from operating activities	2,469.97	(706.75)
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(1,963.94)	(1,247.64)
	Sale of Fixed Assets		14.43
	(Increase)/Decrease in Fixed Deposits	(1,242.59)	20.33
	(Increase)/Decrease in Long term Loans & advances	(1,572.19)	3,592.58
	(Increase)/Decrease in Loans & Advances	(3,005.80)	271.55
	(Increase)/Decrease in Other Non-current Assets	(48.30)	(1,464.31)
	(Purchase)/Sale of Investments	5,198.81	(3,018.10)
	Interest Income	648.16	440.04
	Net cash flow from investing activities	(1,985.86)	(1,391.12)
C.	Cash flow from financing activities		
	Increase in Long Term Borrowings	(3.81)	1.63
	Increase in Short Term Borrowings	712.91	(15.88)
	Issue of Share Capital - Right Issue	-	2,492.84
	Finance Costs	(289.22)	(312.52)
	Net cash flow from financing activities	419.87	2,166.07
	Net increase / (decrease) in cash and cash equivalents	903.99	68.20
	Cash and cash equivalents at the beginning of the year	222.16	153.96
	Cash and cash equivalents at the end of the year	1,126.15	222.16

As per our Report of even date
 For Ravi Sharma & Co.
 Chartered Accountants
 (FRN 015143C)

By order of the Board
 For PACIFIC INDUSTRIES LIMITED

(Paras Bhatia)
 Partner
 M.No. 418196

J.P. Agarwal
 (Chairman &
 Managing Director)
 DIN:00386183

Kapil Agarwal
 (Executive
 Director & CFO)
 (DIN: 00386298)

Date: 30th June 2021
 Place: Udaipur

(Sachin Shah)
 (Company Secretary)
 (PAN : CFLPS2451B)

Notes to the Consolidated Ind AS Financial Statement for the year ended 31st March 2021

Note 1 Corporate Information

Pacific Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the export, manufacturing & trading of Granite tiles & slabs and Quartz Slabs and other goods and commission activities.

Note 2 Significant accounting policies

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016. These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on 30th June 2021.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

2.3 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for its operations. All financial

information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.

2.4 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires 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 year.

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

Significant judgments and estimates relating to carrying value of assets and liabilities include useful lives of Property, plant and equipment, impairment of Property, plant and equipment, investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.5 Classification of Assets & Liabilities as Current & Non-Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.6 Recognition of Revenue and Expenditure

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

2.6.1 Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery

to the customer, as may be specified in the contract.

2.6.2 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method. Interest income is included under the head "Other Income" in statement of profit and loss.

2.6.3 Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.

2.7 Property, Plant & Equipment

Property, Plant & Equipment

Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation

Depreciation is provided on a Written Down Value basis except for New Quartz Plant (Taanj), where Depreciation is provided on Straight Line method over the estimated useful life of all the assets as prescribed in Schedule II of the Companies Act, 2013. The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is not recorded on capital work-in progress until construction and installation is completed and the asset is for intended use.

2.8 Inventory

Inventories consists of Raw Material, Work In Progress, Finished Goods , Scrap & Stores & Spares.

Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average basis.

Raw materials & Stores & Spares: Cost includes cost of purchase and other costs incurred

in bringing the inventories to their present location and condition on the weighted average basis.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity on a weighted average basis. Cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Employee benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plan

The Company makes defined contribution to Provident Fund managed by Government Authorities, which are accounted on accrual basis as expenses in the statement of Profit and Loss. The Company has no obligation other than the contribution payable to the provident fund.

c) Defined Benefit Plan

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the projected unit credit method, carried out as at balance sheet date. The obligation determined as aforesaid less the fair value of the Plan assets is reported as a liability or assets as of the reporting date. Actuarial gain or losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

d) Other Long-Term Benefits

Provision for other long term benefits in the form of long term compensated absences (leave encashment) are accounted for on the basis as if it becomes due for payment on the last day of accounting year.

2.10 Income Tax

Tax expenses comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent it relates to the items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.11 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.12 Provisions, Contingent Liabilities and Contingent Assets

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 Liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or where no reliable estimate is possible. Contingent liabilities are not recognised in financial statements but are disclosed in notes.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in financial statements and are disclosed in notes when it is virtually certain that economic benefits will inflow to the Company.

2.13 Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rate at date of initial transactions, are not retranslated.

In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.

2.14 Impairment

Non-financial assets

The carrying amount of non- financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expenses in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2.15 Government Grant

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities

When the grant has been received in relation to depreciable asset then the amount of grant

will be reduced from the actual cost of the asset or the written down value of the block of asset.

2.16 Earning Per Share (EPS)

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18 Cash and Cash Equivalents

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

2.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs other than attributable to qualifying assets are recognised in the profit or loss in the period in which they incurred.

2.20 Financial Instruments

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and loss.

2.21.1 Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

- (i) **Financial assets carried at amortised cost**
 A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income**
 A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) **Financial assets at fair value through profit or loss**
 A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.
- (iv) **Financial liabilities**
 Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- (v) **Equity instrument**
 An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.
- c) **Derecognition**
 The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

d) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and the Board of Directors of the company considers and maintains Stones - Granite and Quartz, trading other than Granite & Quartz, Investment and Finance & Other services as the Business Segments of the Company.

2.22 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.23 Principles for consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, Income and expenses. Inter company transaction, balances and unrealised gains on transaction between group

companies are eliminated. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.24 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19- Employee benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of acquirer's previously held equity instrument in the acquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquirer's Identifiable Net Assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

2.25 Recent accounting pronouncements

Amendment to Ind AS 103 Business Combination

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations

Amendment to Ind AS 1 and Ind AS 8 : Definition of Material

The amendments provide a new definition of material clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company. These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020.

Consolidated Statement of Changes in Equity for the period April 2020 to March 2021							
A Equity Share Capital				(Rupees in Lakhs)			
Particular	Note	No. of Shares	Amount				
As on 31st March 2020	13	3,446,325	344.63				
Changes in equity share capital							
As on 31st March 2021	13	3,446,325	344.63				
B Other Equity							
Particular	Reserve & Surplus				Items of Other Comprehensive income		TOTAL
	Retained Earning	Security Premium	Capital Reserve	General Reserve	Investments	Remeasurement of net defined benefit Plans	
Balance at 1st April 2020	6,116.89	2,283.36	24,843.34	-	469.05	(34.64)	33,677.99
Profit for the year/ Transfer to Retained Earnings	1,041.34	-	-	-	21.36	-	1,062.70
Fair Value through OCI	-	-	-	-	33.26	-	33.26
Security Premium	-	-	-	-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	-	-	13.66	13.66
Balance as at 31 March 2021	7,158.23	2,283.36	24,843.34	-	523.67	(20.98)	34,787.61
Significant accounting Policies				For and on behalf of Board of Directors			
Notes forming Part of Financial Statements				Pacific Industries Limited			
As per our Report of even date							
For Ravi Sharma & Co.							
Chartered Accountants				(J.P. Agarwal)		(Kapil Agarwal)	
(FRN 015143C)				(Chairman & Managing Director)		(Executive Director & CFO)	
				DIN:00386183		DIN:00386298	
(Paras Bhatia)							
Partner				(Sachin Shah)			
M.No. 418196				(Company Secretary)			
				(PAN : CFLP52451B)			
Date: 30th June 2021							
Place: Udaipur							

Pacific Industries Limited

Notes to the Consolidated IND AS Financial Statement for the year ended 31st March 2021				
Note-4 Financial Asset : Investment		(Rupees in Lakhs)		
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
I. Investment in Equity Instruments				
Quoted				
<i>(A) Designated and carried at FVTOCI</i>				
400 Equity Shares of Federal Bank Ltd. of Rs. 10/- each Fully Paid-up	0.30	0.16	-	-
100 Equity Shares of Liberty Shoes Ltd. of Rs. 10/- each Fully Paid-up	0.13	0.10	-	-
2,400 Equity Shares of Bharat Immunologicals Biologicals Corporation Limited of Rs. 10/- each Fully Paid-up	1.09	0.14	-	-
3,200 Equity Shares of Bajaj Finance Ltd. of Rs. 10/- each Fully Paid-up	164.76	70.91	-	-
Unquoted				
<i>(A) Designated and carried at FVTOCI</i>				
96,500 Equity Shares of Delite Buildpro Pvt Ltd @ Rs. 10/- each Fully Paid-up	100.81	101.02	-	-
98,500 Equity Shares of Deccan Buildwell Pvt Ltd @ Rs. 10/- each Fully Paid-up	109.43	109.62	-	-
65,135 Equity Shares of Shephali Hotel and Resorts Pvt Ltd @ Rs. 10/- each Fully Paid-up	50.26	50.26	-	-
87,700 Equity Shares of Ruby Infratech Pvt Ltd @ Rs. 10/- each Fully Paid-up	89.28	89.47	-	-
99,800 Equity Shares of Vighnathartha Vincom Pvt Ltd @ Rs. 10/- each Fully Paid-up	110.38	110.58	-	-
74,875 Equity Shares of Divya Finlease Pvt Ltd @ Rs. 10/- each Fully Paid-up	64.21	64.20	-	-
2,86,787 units of Next Orbit RE Scheme @ Rs. 10/- each Fully Paid-up	2,799.99	2,800.00	-	-
10000 Equity shares of Spicy Entertainment @ Rs. 10/- each Fully Paid-up	-	-	0.20	0.49
870000 Equity shares of Think INK Studio Ltd. (Oyee Media) Face Value of Rs. /- each	-	-	-	34.80

II. Investment in Preference Shares				
(A) Measured at Amortised Cost				
26,00,000 Convertible Redeemable Preference Shares of Ojaswi Marble & Granite Pvt Ltd. @ Rs 76/- each	1,976.00	1,976.00	-	-
III. Investment in Government Securities				
National Saving Certificate (Pledge with the Govt.)	0.39	0.40	-	-
IV. Other Investment				
(A) Designated and carried at FVTOCI				
Investment in IFCI Portfolio	0.31	0.05	-	-
a) 5050 Shares Confidence Finance and Trading Ltd of Rs 10/- each Fully Paid up	0.249	(0.027)		
b) 1100 Shares Housing Development & Infra. Ltd of Rs 1/- each Fully Paid up	0.051	(0.016)		
c) 1.034 Units of Nippon India Mutual Fund	0.010	(0.01)		
d) 10 Shares of Goldline International Finvest Ltd (0.0002)	-	-		
				*Note-(i)
Denotes Previous Year Figures				
Gamut Tradecom LLP (19% Share in Profit/Loss)	708.84	6.63	-	-
Chaitanya International Minerals LLP (15% Share in Profit/Loss)	-	6,200.02	-	-
Investment in Emerald Buildhome (16.50% Share in Profit/Loss)	1,063.43	1,125.00	-	-
Krishna Marble (15% Share in Profit/Loss)	-	-	2,246.08	1,890.22
Total	7,239.60	12,704.57	2,246.28	1,925.50
Note 4.1 Fair Value of Investments in Unquoted securities/other interest in Gamut Tradecom LLP, Chaitanya International Minerals LLP and Krishna Marbles has been determined on the basis of the latest available audited financial statements for the Financial year 2019-20 of the respective investment.				

Note-5 Financial Asset :Loans & Advances				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Unsecured considered goods				
Deposits & Other Recoverables	192.11	183.33	25.21	195.50
Duties & Taxes Under Protest	-	-	71.47	72.20
Other Loans and Advances	3,480.39	1,916.98	4,771.11	1,594.28
Total	3,672.50	2,100.31	4,867.78	1,861.98
Note-6 Other Asset				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Pre operative & Mining Development	111.85	60.54		
Cervat & Input tax credit	-	-	1,484.46	709.81
Advance to Vendors(including related parties)	-	-	777.88	395.31
Advance to Related parties	-	-	7.00	638.16
Advance to Others	1,620.00	1,623.01	18.10	27.36
Advance against expenses	-	-	2.25	6.46
Income tax refundable	-	-	-	45.48
TDS/TC5 Receivable	-	-	203.61	176.22
Prepaid Expenses	-	-	10.45	13.37
Total	1,731.85	1,683.55	2,503.75	2,012.19
Note-7 Inventories				
Particular			31-Mar-21	31-Mar-20
(Valued at lower of cost and net realizable value)				
Raw materials			1,161.11	923.91
Work-In-progress;			143.31	124.92
Finished goods;			4,577.61	3,734.13
Consumable Stores and spares;			756.41	728.31
Scrap			73.47	73.38
Total			6,711.92	5,584.66
Note - 7.1 Particulars of Inventory			31-Mar-21	31-Mar-20
Raw Materials				
Marble & Granites Blocks			909.85	712.69
Quartz Granule			251.26	211.22
Polyster resin			-	-
Total			1161.11	923.90
Finished Goods				
Granite			2,688.81	2,666.96
Quartz slabs			1,888.80	1,065.13
Natural Sandstone Slabs			-	2.05
Total			4,577.61	3,734.13
Work-in-Progress				
Unpolished Granite Slabs			143.31	124.92
Total			143.31	124.92

Note-8 Trade Receivable		
Particular	31-Mar-21	31-Mar-20
Unsecured, considered good unless stated otherwise		
Others	4,215.00	3,941.47
Less : Allowance for Expected Credit Loss	53.22	11.17
Total	4,161.77	3,930.30
Note-9 Cash & Cash Equivalents		
Particular	31-Mar-21	31-Mar-20
Cash and Cash Equivalents		
Balances with banks	1,074.81	161.58
Cash on Hand	51.34	60.59
Total	1,126.15	222.17
Note-10 Other Bank Balances		
Particulars	31-Mar-21	31-Mar-20
Other Bank Balances (Earmarked)		
Balances with banks held as Margin Money on ILC/FLC/BG and other commitments	1,999.17	756.58
Total	1,999.17	756.58
Note-11 Other Financial Asset		
Particular	31-Mar-21	31-Mar-20
Accrued Interest	3.28	3.44
Other Receivables	0.91	728.67
Total	4.19	732.11
Note-12 Equity Share Capital		
Particular	31-Mar-21	31-Mar-20
Authorised		
25000000 Equity Shares of Rs. 10 each	2,500.00	2,500.00
(PY.25000000 Equity Shares of Rs. 10 each)		
Issued, Subscribed & Paid-up		
(13,51,500 Equity Shares of Rs. 10/-each, fully paid up)	135.15	135.15
Right Issue		
(20,94,825 Equity shares of Rs. 10/-each fully paid up)	209.48	209.48
Total	344.63	344.63

Note 12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity Shares	31-Mar-21		31-Mar-2020	
	Number	Amount	Number	Amount
At the beginning of the period	3,446,325	344.63	1,351,500	135.15
Changes during the period			2,094,825.00	209.48
Bought back during the period	-	-	-	-
Outstanding at the end of the period	3,446,325	344.63	3,446,325	344.63
Note 12.2 Terms/ Rights attached to Equity Shares				
The company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.				
In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Note 12.3 Details of Shareholders holding more than 5% equity shares in the Company				
Shareholder	31-Mar-21		31-Mar-20	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Geeta Devi Agarwal	500,574	14.52	500,574	14.52
Kapil Agarwal	375,869	10.91	375,869	10.91
Jagdish Prasad Agarwal	260,101	7.55	260,101	7.55
Rahul Marble Private Limited	685,868	19.90	803,000	23.30
Ankit Agarwal	288,740	8.38	171,560	4.98
	2,111,152		2,111,104	
Note-13 Other Equity*				
Particulars	31-Mar-21		31-Mar-20	
A) Security Premium				
Balance as at the beginning of the period	2,283.36		-	
Changes During the year	-		2,283.36	
Balance as at the end of the period	2,283.36		2,283.36	
B) Capital Reserve				
Balance as at the beginning of the period	24,843.34		24,843.34	
Changes During the year			-	
Balance as at the end of the period	24,843.34		24,843.34	
C) Retained Earnings & General Reserve				
Balance as at the beginning of the period	6,116.89		6,080.63	
Changes During the year	1,041.34		36.26	
Balance as at the end of the period	7,158.23		6,116.89	
D) Items of Other Comprehensive Income on Investments				
Balance as at the beginning of the period	469.05		499.07	
Changes During the year	54.62		(30.02)	
Balance as at the end of the period	523.67		469.05	
F) Items of Other Comprehensive Income Remeasurement of Defined Benefit Plans				
Balance as at the beginning of the period	(34.64)		(23.16)	
Changes During the year	13.66		(11.48)	
Balance as at the end of the period	(20.98)		(34.64)	
Balance as at 31 March 2021	34,787.61		33,677.99	

Description and nature of other equity:-
Security Premium: This reserve is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Act.
General Reserve : It represents the actuarial gain or loss arising from the fair value measurement of investments made in Shares.
Retained Earnings: It represents the surplus amount available in profit and loss as retained earnings and Gain/Loss on Sale of Investment on which Irrevocable Option taken for Designated at FVTOCI for Long Term Strategic Reason. The reserve can be distributed/ utilised by the company in accordance with the Companies Act, 2013.
Capital Reserve: The Reserve is created based on statutory requirement under the Companies Act, 2013, on account of consolidation.
Other Comprehensive Income: It represent the actuarial gain or loss arising from the remeasurement of defined benefit obligation and fair value measurement of investments.
*Quantitative data mentioned in statement of changes in equity

Note-14 Long Term Borrowings				
Particular	Non Current Portion		Current Maturities	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
LOANS - SECURED				
(i) Vehicle Loan				
Axis Bank	290.28	70.68	94.84	97.96
HDFC Bank	104.02	-	30.54	-
(ii) Term Loan				
HDFC Bank	1,661.44	1,850.59	605.83	541.86
LOANS - UNSECURED				
(i) From Related parties				
From Directors	18.52	60.84	-	-
From Companies	24.05	226.35	-	-
(ii) From other than Related parties				
From Companies	5.89	5.89	-	-
From NBFC	106.35	-	-	-
Securities Deposits from customers	22.28	22.28	-	-
Total	2,232.83	2,236.64	731.22	639.82
The above amount includes				
Secured borrowings	2,055.74	1,921.28	731.22	639.82
Unsecured Borrowings	177.08	315.36	-	-
Amount Disclosed under Current Maturities of Long term Borrowing Under Note No.19	-	-	(731.22)	(639.82)
Total	2,232.83	2,236.64	-	-

(a) Loans from AXIS Bank for Vehicles carries interest @ 8.80%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.

(b) Term Loan For New Shed from HDFC Bank Carries interest @ Repo rate + 4.25% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company.

(c) Term Loan For Quartz form HDFC Bank Carries interest @ Repo rate + 3.75% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 60 monthly installments.

(d) Loans from Axis Bank for Vehicles carries interest @ 8.11%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.

(e) Working capital Term loan from HDFC bank carries interest @8.25% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 48 monthly installments. This loan is extension of existing loan disbursed under (ECLGS) scheme.

(f) Loans from HDFC Bank for Vehicles carries interest @ 7.50%. The loans are repayable in 48 monthly installments and the loans are secured by hypothecation of respective assets.

Note-15 Provisions				
Particular	Long Term		Short Term	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
(A) Provision for ECL	-	-	53.22	11.17
(B) Provision for Employees Benefit				
(ii) Provision for Gratuity	315.51	215.74	44.44	117.82
(iii) Provision for Leave Encashment	-	-	50.02	42.41
(iv) Provision for Bonus & Ex-gratia	-	-	11.55	44.15
Total	315.51	215.74	159.23	215.55
Note 15.1 The company has made provision for gratuity based on actuarial valuation determined by Independent Actuary in accordance with IND AS-19.				
Note 15.2 The company has made provision for Leave Encashment based on Management policy.				
Note-16 Deferred Tax Liability (Net)				
Particular			31-Mar-21	31-Mar-20
Deferred Tax Liability				-
Related to Fixed Assets			422.27	
Deferred Tax Assets				
Related to Employee Benefit Expenses			77.86	
Related to Unabsorbed losses and Depreciation			170.64	
Related to OCI			2.89	-
Total			170.88	-
Note-17 Short-term Borrowings				
Particular			31-Mar-21	31-Mar-20
Foreign Currency Loan/ Other Loan			1,992.99	1,280.09
Total			1,992.99	1,280.09
The above loan from HDFC Bank which carries interest @ LIBOR+200 bps is secured by way of Hypothecation of Inventory i.e. Raw Materials, Stock in Process, Finished Goods, Stores & Spares and Book Debts, bill whether documentary or clean, outstanding monies, receivables, both present and future, equitable mortgage of properties & the facility is subject to annual renewal and it also carries an unconditional and irrevocable personal guarantees of the Whole Time Directors and property holders.				
Note-18 Trade Payable				
Particular			31-Mar-21	31-Mar-20
Sundry Creditors for Material			3,133.20	1,628.58
Sundry Creditors for Services			326.69	132.13
Sundry Creditors for Others			260.16	1,120.65
Total			3,720.05	2,881.36
Note 18.1 The Company has the process of identification of suppliers registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmation from suppliers. Based on the information available with the Company, there are no overdue more than 45 days, payable to the suppliers as defined under the 'Micro, small and Medium Enterprises Development Act, 2006 as at March 31, 2021.				
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:				

Particulars	31-Mar-21	31-Mar-20
Dues Remaining Unpaid	-	-
The Principle amount remaining unpaid to any supplier as at the end of the year	-	-
Interest Due on the above amount	-	-
The amount of interest paid by in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
Amount of the Payment made to the supplier beyond the due date during the year.	-	-
Amount of Interest due and payable for the Period of delay in making payment (Which have been paid but beyond the due date during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actual paid to the small enterprise	-	-
Total	-	-
Note-19 Financial Liability - Other		
Particular	31-Mar-21	31-Mar-20
Trade Payable for Capital Goods	1,584.57	230.36
Current maturities of long-term borrowings (Includes current maturities of vehicle loans)	731.22	639.82
Interest accrued but not due	20.07	2.02
Security deposits	17.57	9.60
Statutory Dues	157.81	21.59
Other Current Liabilities	174.65	159.69
Total	2,685.90	1,063.08
Note-20 Other Current Liabilities		
Particular	31-Mar-21	31-Mar-20
Interest Payable on Loan	-	11.64
Advance from Customers /Other	848.41	389.49
Total	848.41	401.13
Note-21 Current Tax Liability (net)		
Particular	31-Mar-21	31-Mar-20
Provision for Income Tax	312.70	29.53
Total	312.70	29.53
Note-22 Revenue From Operation (Rupees in Lakhs)		
Particular	31-Mar-21	31-Mar-20
Sale of Products		
Export Sales	13883.67	5639.34
Domestic Sales	3941.67	4016.61
Other Operating Revenue	0.59	227.57
Revenue from Operation (Gross)	17,825.92	9,883.52

Note 22.1 Particulars of Products Sold	31-Mar-21	31-Mar-20
(i) Export Sales		
Granite	3026.71	4156.68
Quartz	10856.96	1,482.66
(ii) Domestic Sales		
Granite	800.48	1157.04
Quartz	365.13	139.24
Iron Ore	2776.06	2712.64
Scrap	0.00	7.69
Note-23 Other Income		
Particular	31-Mar-21	31-Mar-20
Duty Drawback/Royalty & DMFT Received	95.19	-
FVTPL	-	22.50
Profit from share in Limited liability partnership	210.03	215.52
Profit on Sales of Assets/Investment	-	29.18
Dividend Income	-	0.21
Interest Income	332.46	440.04
Exchange Rate Fluctuation	108.03	111.86
Miscellaneous Income	3.76	7.06
Commission Income	11.05	195.00
Total	760.51	1,021.37
Note :- Share in Profit/loss of Gamut Tradecom LLP has been taken on the basis of last available Audited Balance Sheet for the year Ending 31.03.2020		
Note-24 Cost of Materials Consumed		
Particular	31-Mar-21	31-Mar-20
Raw Materials Consumed		
Opening Stock	923.91	1,212.44
Add: Purchases	6,341.15	3,137.41
	7,265.06	4,349.85
Less: Closing Stock	1,161.11	923.91
Cost of Material Consumed	6,103.95	3,425.94
Note 24.1 Particulars of Raw Materials Consumption		
Particular	31-Mar-21	31-Mar-20
Granite Block	1,276.63	1,946.62
Quartz Granual	1,650.49	589.03
Polyester Resin	3,176.84	890.29
Total	6,103.95	3,425.94
Note-25 Purchase of Stock-in-Trade		
Particulars	31-Mar-21	31-Mar-20
Granite Purchase	540.44	505.99
Iron Ore Concentrate	2,556.00	1,966.52
Total	3,096.44	2,472.51

Note-26 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Particular	31-Mar-21	31-Mar-20
Opening Stock		
Work-in-Progress	124.92	272.57
Finished Goods	3,734.13	2,540.36
Scraps	73.38	80.84
Total (I)	3,932.43	2,893.77
Closing Stock		
Work-in-Progress	143.31	124.92
Finished Goods	4,577.61	3,734.13
Scraps	73.47	73.38
Total (II)	4,794.39	3,932.43
Change in inventories Total (I-II)	(861.95)	(1,038.67)
Note-27 Employee Benefits Expense		
Particular	31-Mar-21	31-Mar-20
Salaries, Wages and Bonus	772.93	846.10
Contribution to Provident and other funds	133.08	144.62
Staff Welfare Expenses	20.11	85.07
	-	
Total	926.12	1,075.79
Note-28 Finance Cost		
Particular	31-Mar-21	31-Mar-20
Bank Charges	14.19	11.03
Interest on Term Loan	191.64	188.98
Interest On PCFC	45.04	57.92
Interest on Others	21.76	3.36
Interest On Unsecured Loan	16.59	51.23
	-	
Total	289.22	312.52
Note-29 Depreciation and Amortisation Expenses		
Particular	31-Mar-21	31-Mar-20
Depreciation	844.12	711.68
Pre-Operative Expenditure Written Off	0.08	0.58
Total	844.20	712.26
Note-30 Other Expenses		
Particular	31-Mar-21	31-Mar-20
Manufacturing Expenses		
Consumption of Stores, Spares & Consumables	3,421.50	1,771.59
Power & Fuel Expenses	334.60	443.38
Factory and Mining Expense Expenses	178.97	16.46
Slurry & Transportation Expenses	22.34	55.43
<u>Repairs & Maintenance</u>	-	
- Plant & Machineries	81.41	1.85
- Building		20.93
TOTAL [A]	4,038.81	2,309.64

Administrative & Other Expenses		
Accounting Charges	0.78	0.78
Commission on purchases	-	0.01
Communication Expenses	16.25	24.38
Conveyance	22.80	6.61
Demat charges/Bank Charges	0.18	0.31
Demand / Interest/ Late Fees	7.74	9.56
Discount on Debt Assignment/ Bad Debts	-	277.52
Exchange Rate Fluctuation	68.32	64.58
Electricity expenses	-	0.11
Fees & Subscription	20.64	21.79
Donation	1.00	-
Festival Expenses	4.36	5.26
Gardening Expenses	0.01	0.09
Internet Expenses	0.18	0.06
Income Tax	2.85	0.10
Insurance Expenses	20.84	9.08
Legal & Professional	62.85	49.32
Loss on sale of Shares/ Partnership Firm	3.78	9.24
Loss on Futures & Options Trading	171.47	280.85
Lease / Dead Rent	5.25	-
Listing, RTA & Related Expenses	1.50	3.36
Medical Exp.	0.06	0.19
Provision for ECL	42.05	11.17
Balances written off	777.89	-
Miscellaneous Expenses	74.37	80.38
Office Expenses	55.98	15.21
Payment to Auditors (Refer details Below)	5.14	8.09
Penalty on Demand	-	1.68
Workmen Compensation	145.21	-
Printing & Stationary	22.64	13.37
ROC expenses	0.19	0.59
Rent	28.84	20.68
Rates & Taxes	2.68	10.47
Repairs & Maintenance (Others)	17.46	8.28
Security Service Expenses	51.97	36.90
Vehicle Running & Maintenance Expenses	34.18	35.36
Traveling Expenses	0.22	19.47
Royalty Expenses/ Mining Expenses	2.18	-
TOTAL [B]	1,671.86	1,024.84
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Sales Promotion Expenses	85.31	22.59
Commission Expenses	0.78	12.18
Exhibition Expenses	4.91	71.32
Freight & Forwarding	820.02	332.29
Insurance - Marine	8.32	3.52
Marketing & Travelling Expenses	59.27	106.89
TOTAL [C]	978.60	548.78
GRAND TOTAL [A+B+C]	6,689.27	3,883.26

Note-30.1 Payment to Auditor				
Particular		31-Mar-21	31-Mar-20	
Audit Fees		5.10	5.30	
Reimbursement of Expenses		0.04	2.79	
Total		5.14	8.09	
Note-31 Corporate Social Responsibility Expenditure				
The company has no Obligation for CSR Expenses for FY 2019-20 as per Sec 135 of Company Act 2013.				
Note-32 Income Tax Recognised in Statement of Profit or Loss				
Particular		31-Mar-21	31-Mar-20	
Current Tax				
In respect of Current year				
Regular Tax		93.73	29.12	
MAT		199.26	(12.39)	
MAT Credit				
In respect of earlier year				
Total Current tax		293.00	16.73	
Deferred Tax		164.85		
The movement of deferred tax assets and liabilities during the year ended March 31, 2021				
Particular	As at 1 April, 2020	(Credit)/ Charge in statement of Profit and Loss	(Credit) / Charge in Other Comprehensive Income	As at 31st March, 2021
Deferred Tax Assets/ (Liabilities)				
Depreciation				
Gratuity & Compensated Absence		(422.27)		(422.27)
Unabsorbed losses		77.86	2.89	80.75
Unabsorbed depreciation		170.64		170.64
Total		(173.77)	2.89	(170.88)
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:				
Particulars		31-Mar-21	31-Mar-20	
Profit before income taxes		1,499.19	61.29	
Enacted tax rate in India (MAT)		17.472%	22.88%	
Enacted tax rate in India (Regular Tax Rate)-				
Holding company		27.82%	26.00%	
Subsidiaries Company		25.17%	26.00%	
Computed expected tax expenses (MAT)		199.26		
Computed expected tax expenses (Regular Tax)		91.97	14.02	
Effect of Allowances for tax purpose		-	-	
Effect of Non deductible expenses		-	-	
Others		1.77	15.90	
Tax expense recognised in Statement of Profit and Loss		293.00	29.92	
Note-33 Earning Per Share				
Particulars		31-Mar-21	31-Mar-20	
Profit after tax		1,041.34	44.56	
Weighted average no. of Equity Share Outstanding		3,446,325	2,604,961	
Nominal value of Ordinary share(INR)		10.00	10.00	
Basic & diluted earning per share in rupees		30.22	1.71	
Note-34 Lease				
The company has taken mines on Operating Lease from "Department of Mines & Geology" and minimum yearly rental is being paid which is adjusted against royalty amount, if payable.				

Note-35 Employee Benefit
(A) Defined Contribution Plan:-

The Company operates defined contribution retirement benefit plans for all qualifying employees. Contributions are made to registered provident fund and Employee state insurance administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31-Mar-21	31-Mar-20
Contribution to Provident fund Statement of Profit and Loss	46.35	69.46
Contribution to ESI in Statement of Profit and Loss	6.89	12.06

(B) Defined Benefit Plan:-
Gratuity

In accordance with the provisions of Payment of Gratuity Act, 1972, the company has defined benefit plan which provides for gratuity payment. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the year of employment with the company. The company's gratuity plan is an unfunded plan.

These plans typically expose the Company to actuarial risks such as: Actuarial Risk, Investment Risk, Liquidity Risk, Market Risk & Legislative Risk:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience : Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk :

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	31-Mar-21	31-Mar-20
Discount Rate	6.40%	6.45%
Future Salary growth rate	6.00%	6.00%
Rate of Return on Plan Assets		-
Mortality table used Indian Assured Lives Mortality (2006-08) Ultimate	10% at younger ages reducing to 2% at older ages	

Projected Benefit Obligation

Particulars	31-Mar-21	31-Mar-20
Projected benefit Obligation at beginning of the year	333.55	286.00
Interest Cost	20.94	19.94
Current Service Cost	51.34	20.78
Past Service Cost	-	-
Actuarial (Gain)/Loss	(16.55)	11.48
Benefits paid	(29.33)	(4.64)
Projected benefit Obligation at end of the year	359.95	333.55

Amount recognised in the Balance Sheet:

Particulars	31-Mar-21	31-Mar-20
Amount recognised in the Balance Sheet:		
Projected benefit Obligation at end of the year	359.95	333.55
Fair Value of Plan Assets as at year end	-	-
Net (Asset)/Liability recognized in the Balance Sheet	359.95	333.55

Cost of the defined benefit plan for the year:

Particulars	31-Mar-21	31-Mar-20
Current Service Cost	51.34	20.78
Interest Cost	20.94	19.94
Past Service Cost	-	-
Expected Return on plan Asset	-	-

Components of defined benefit cost recognised in the Statement of Profit & Loss

	72.28	40.71
--	-------	-------

Remeasurement on the net defined benefit liability:

Experience Adjustment

Particulars	31-Mar-21	31-Mar-20
Present value of defined benefit obligation	359.95	333.55
Fair Value of plan assets	-	-
Balance Sheet (Liability)/ Asset	359.95	333.55
P&L (Income)/ expenses		30.61
Experience adjustment on plan liabilities (gain)/ loss	(22.58)	20.42
Experience adjustment on plan assets gain/ (loss)	-	-

Sensitivity analysis in respect of the actuarial assumptions used in

Particulars	31-Mar-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5%	347.33	373.39	321.55	346.34
Salary Growth rate - 0.5%	372.76	347.74	345.83	321.89
Withdrawal rate - 10%	360.65	359.18	334.45	332.58

Leave Encashment

Compensated absence liability recognised as expense for the year is Rs. 14.08 Lakhs (Previous Year Rs. 22.31 Lakhs). The said amount has been calculated by the management. It has been calculated on the basis of leaves accumulated during the year other relevant factors.

Note-36 Capital Management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

Note-37 Related Party Disclosures

The Company has made the following transactions with related parties as defined under the provisions of Indian Accounting Standard-24 issued by the Institute of Chartered Accountants of India & notified by MCA under Companies (Indian Accounting Standard) Rules, 2015, as amended.

List of related parties with whom transaction have taken place during the year along with the nature and volume of transaction is given below from 01.04.2020 to 31.03.2021

Particulars	Relation
Directors & Key managerial persons & their associate concerns	
Jagdish Magniram Agarwal	Managing Director
Kapil Jagdish Agarwal	Executive Director
Geetadevi Agarwal	Non Executive Director
Pradeep Kumar Jain	Non Executive Independent Director
Vikash Mishra	Non Executive Independent Director
Vinod Choudhary	Non Executive Independent Director
Enterprises owned/controlled by directors & their relatives	Relations with Directors
Geetanjali Marble	Director is Partner in the Firm
Krishna Marble	Director is Partner in the Firm
Ojaswi Marble & Granites Pvt Ltd	Director is the Director of the Company
Pacific Exports	Director is Partner in the Firm
Pacific Leasing And Research Ltd	Director is the Director of the Company
Rahul Marble Private Limited	Director is the Director of the Company
Yash Processors Ltd	Director is the Director of the Company
Geetanjali Investech Holding India Pvt Ltd	Director is the Director of the Company
M R Agarwal Holding LLP	Director is Partner in the LLP
Bhola Motor Finance Pvt. Ltd.	Director is the Director of the Company
Pacific Iron Manufacturing Ltd	Director is the Director of the Company
Gamut Tradecom LLP	Director is Partner in the LLP
Chaitanya International Minerals LLP	Director is Partner in the LLP
Geetanjali Industrial Mineral P. Ltd.	Director is the Director of the Company

Transactions with Key management persons		(Rupees in Lakhs)	
Nature of transaction	31-Mar-21	31-Mar-20	
Remuneration	48.00	48.00	
Employer's Contribution to Provident Fund	5.76	5.76	
Loan Outstanding as 31st march (Liabilities)	18.52	60.84	
(Rupees in Lakhs)			
Out of the above items, transactions in excess of 10% of the total related party transactions are as under:			
Remuneration	31-Mar-21	31-Mar-20	
Kapil Agarwal	24.00	24.00	
J.P. Agarwal	24.00	24.00	
Employer's Contribution to Provident Fund	31-Mar-21	31-Mar-20	
Kapil Agarwal	2.88	2.88	
J.P. Agarwal	2.88	2.88	
Loan outstanding as 31st march (Liabilities)	31-Mar-21	31-Mar-20	
Geeta Devi Agarwal	2.83	14.83	
Kapil Agarwal	15.53	24.84	
J.P. Agarwal	0.16	21.17	
Transactions with Enterprises owned & controlled by the Directors and their relatives			
Nature of transaction	31-Mar-21	31-Mar-20	
Purchase	3445.61	3005.10	
Sales	627.81	2.37	
Interest Received	149.49	356.78	
Interest Paid	16.59	51.36	
Trade Payables	578.51	273.34	
Trade Receivables	110.37	2.96	
Advance Outstanding (Assets)	2112.11	3123.56	
Loan Outstanding (Liabilities)	24.05	226.35	
Investments	2954.88	8096.87	
Assets Purchased	123.75	-	
Advance Outstanding (liability)	125.57	-	
Other non current assets	1620.00	-	

Out of the above items, transactions in excess of 10% of the total related party transactions are as under:		
<u>Purchase</u>		
Chaitanya International Minerals LLP	824.68	490.80
Ojaswi Medical & Healthcare Pvt Ltd	-	368.12
Pacific Iron Manufacturing Ltd	2556.00	2,085.49
Geetanjali Investech Holding India Pvt Ltd	-	28.06
Geetanjali Industrial Mineral P. Ltd.	64.94	-
Others (Below 10%)	-	32.62
<u>Sales</u>		
Chaitanya International Minerals LLP	605.27	2.37
Ojaswi Marble & Granites P Ltd	22.54	-
<u>Interest Received</u>		
Bhola Motor Finance Pvt Ltd	-	188.76
Pacific Iron Manufacturing Ltd	77.16	97.93
Reyansh Infrastructure Pvt Ltd	72.33	70.09
<u>Interest Paid</u>		
Bhola Motor Finance Pvt Ltd	16.59	51.36
<u>Trade Payables</u>		
Chaitanya International Minerals LLP	233.06	136.23
Krishna Marble	29.50	37.81
Pacific Iron Manufacturing Ltd	177.84	23.96
Yash processors Pvt. Ltd	58.64	67.89
Geetanjali Industrial Mineral P. Ltd.	78.83	-
Others (Below 10%)	0.64	7.46
<u>Trade Receivables</u>		
Chaitanya International Minerals LLP	78.48	-
Ojaswi Marble & Granites P Ltd	26.60	-
<u>Advance Outstanding (Assets)</u>		
Pacific Iron Manufacturing Ltd	-	1930.13
Reyansh Infrastructure Pvt Ltd	2112.11	1076.85
Others (Below 10%)	-	116.58
<u>Loan Outstanding (Liabilities)</u>		
Bhola Motor Finance Pvt Ltd	24.05	226.35

Investments		
Ganrut Tradecom LLP	708.84	6.63
Chaitanya International Minerals LLP	-	6200.02
Krishna Marble	2246.04	1890.22
Assets Purchased		
Pacific Iron Manufacturing Ltd	11.75	-
Ojaswi Medical & Healthcare Private Limited	112.00	-
Advance outstanding (liability)		
Krishna Marble	125.57	-
Other Non-current Assets		
Proclaim Construction Pvt. Ltd.	1620.00	1,620.00
Note-38 Contingent Liabilities/Commitments, Contingent Assets & Pending Litigations		
Contingent Liabilities		
(A) Claims against the company not acknowledged as debt.		
A.1 Demand Raised by the Central Excise Commissionerate of Rs. 170.62 Lacs against which Rs 62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending.		
A.2 The company has a total demand of Rs. 78.39 lacs of Custom Duty out of which the company has deposited Rs. 9.21 Lacs under protest against which the company has filed an appeal.		
(B) Other Contingent Liabilities		
B.1 Show cause notice received from excise authorities of Rs 1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the		
B.2 Show Cause notice received from excise authorities of Rs 4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.		
B.3 Show Cause notice Received From Custom Authorities of Rs 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017. However, no demand has been received from the custom authorities against the same and based on Legal opinion obtained, the company does not expect any liabilities on this account		
(C) Capital Commitments and other Commitments		
Particulars	31-Mar-21	31-Mar-20
Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)		-
Exports obligation under Export Promotion Capital goods (EPCG) scheme*	3022.23 lacs	5354.93 lacs
*company is availing benefit under EPCG Scheme for import of Capital goods and spare parts against obligation to export 6 times of the duty saved. Total duty to be saved/saved against licenses outstanding as at March 31, 2021 is Rs.503.70 Lacs (March 31,2020 Rs. 892.49 Lacs). Export Obligation on such licenses outstanding as at year end is disclosed above.		
(D) Contingent Assets - Nil		
Note 39: Fair Value Measurement		
The following table shows the carrying amounts and fair values of investments including their levels in the fair value hierarchy.		

Financial assets	Fair Value as at		Fair Value Hierarchy	Valuation techniques & key inputs used
	31-Mar-21	31-Mar-20		
Investments in quoted equity instruments at FVTOCI	166.80	106.65	Level-1	Quoted market price in an active market
Investments in unquoted instruments at FVTOCI	3,324.35	3,325.16	Level-3	Refer Note (a) & (d) Below
Investments in unquoted instruments at Amortized Cost	5994.73	11,198.76	Level-3	Refer Note (b) & (c) Below
Total	9,485.88	14,630.57		
<p>There were no changes in the fair value hierarchy levels in the above periods.</p> <p>(a) Upon the application of IND AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI/FVTPL respectively.</p> <p>(b) Investment in Subsidiaries, NSC, and LLP is Valued at Cost as the company has opted to adopt cost method as per IND AS.</p> <p>(c) Upon the application of IND AS 109, the Company has chosen to designate the investments in Preference share instruments at amortised cost.</p> <p>(d) Investment in Next Orbit Fund has been designated at NAV & routed through FVTOCI.</p> <p>Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.</p>				
Particulars	31-Mar-21		31-Mar-20	
	Amortised cost	Carrying value	Amortised cost	Carrying value
Financial Assets				
(i) Trade receivables	4,161.77	4,161.77	3,930.30	3,930.30
(ii) Loans	8,540.28	8,540.28	3,962.29	3,962.29
(iii) Others	4.19	4.19	732.11	732.11
(iv) Cash & Cash Equivalents	1,126.15	1,126.15	222.17	222.17
Total	13,832.39	13,832.39	8,846.87	8,846.87
Financial Liabilities				
(i) Borrowings	4,225.82	4,225.82	3,516.72	3,516.72
(ii) Trade payables	3,720.05	3,720.05	2,881.36	2,881.36
(iii) Other financial liabilities	2,685.90	2,685.90	1,063.08	1,063.08
Total	10,631.77	10,631.77	7,461.16	7,461.16
<p>The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:</p> <p>1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.</p> <p>2) Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.</p>				

Note 40: Financial Risk Management
Financial risk management policy and objectives

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings from Banks, trade and other payables. The main purpose of these financial liabilities is to finance Company's operations and plant expansion. Company's principal financial assets include investments, trade and other receivables, deposits with banks and cash and cash equivalents, that derive directly from its operations.

Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments in equity shares, security deposits, trade and other receivables, deposits with banks and financial liabilities.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign exchange risk arising from foreign currency transactions primarily to USD & EURO. Company do not enter into any derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change by 5% in USD & EURO exchange rates, with all other variables held constant.

Financial Exposure			31-Mar-21	31-Mar-20	
Financial liabilities:					
USD Converted in Rupees			3,446.98	1,520.90	
EURO Converted in Rupees			318.90	400.18	
Net exposure			3,765.88	1,921.08	
Sensitivity Analysis					
Currency		5% increase		5% decrease	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
USD		172.35	76.05	(172.35)	(76.05)
EURO		15.94	20.01	(15.94)	(20.01)

Credit risk exposure				
The following table shows the maximum exposure to the credit risk at the reporting date :				
Particulars	31-Mar-21		31-Mar-20	
	Non Current	Current	Non Current	Current
Loans	3,672.50	4,867.78	2,100.31	1,861.98
Trade Receivables	-	4,161.77	-	3,930.30
Bank Balance	-	1,074.81	-	161.58
Other financial assets	-	4.19	-	732.11
Total	3,672.50	10,108.55	2,100.31	6,685.97
Following are the Ageing related to above mentioned trade receivables.				
Particulars	31-Mar-21		31-Mar-20	
	<6 months	>6months	<6 months	>6months
Trade Receivables	3419.67	742.09	2,476.93	2,827.15
Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.				
Note 41. Segement Reporting				
Company has considered business segment as the primary segment for disclosure. The business segments are Marble & Granite, Trading other than Marble & Granite & Other Services.				
PARTICULARS	FOR THE YEAR ENDED			
	31-Mar-21	31-Mar-20		
Segment Revenue				
A. Stone - Granite and Quartz	15163.85	7601.49		
B. Trading Other than Granite and Quartz	2776.06	2712.64		
C. Investment & Finance	576.97	733.76		
D.Others Services		195.00		
Total	18516.89	11242.89		
Less : Inter Segment Revenue	690.96	1359.37		
Revenue From Operations (Excluding Other Income)	17825.92	9883.52		
Segment Results				
Profit/Loss Before Charging Unallocable Expenditures				
A. Stone - Granite and Quartz	1356.58	(1044.39)		
B. Trading Other than Granite and Quartz	171.58	744.80		
C. Investment & Finance	260.25	508.68		
D.Others Services		164.71		
Unallocable Expenses (Tax+Finance Cost)	289.22	312.52		
Total Profit (Before Tax & OCI)	1499.20	61.29		
Segment wise capital employed (Segment Assets- Segment Liabilities)				
A. Stone - Granite and Quartz	16641.15	15214.81		
B. Trading Other than Granite and Quartz	722.77	573.55		
C. Investment & Finance	19758.01	20275.91		
C.Others Services	243.14	195.00		
Total	37365.07	36259.26		

Note : 43 The Consolidated Financial Statements present the Consolidated Accounts of Pacific Industries Limited with its following Subsidiaries and step down subsidiaries:

Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Investments	Turnover	[Rupees in Lakhs]			
							Profit/ Loss Before Taxation	Provision for Taxation	Profit/ Loss after Taxation	% of Share Holding
Direct(Subsidiary)										
Gist Minerals Technologies Limited	INR	10.00	9,024.60	9,173.68	2,236.70	195.50	114.88	29.87	85.01	-
Gaze Fashion Trade Limited	INR	10.00	195.59	303.23	296.91	-	(6.55)	-	(6.55)	-
Taan Quartz INC	INR	-	(0.16)	130.43	-	82.55	(0.16)	-	(0.16)	-
Indirect(Step-down Subsidiary)										
Radhika Vyapaar Private Limited(Subsidiary of Gaze Fashion Trade Limited)	INR	50.00	2,479.11	2,639.99	-	173.95	118.09	30.53	87.56	-
Biswas Solar Instrument Private Limited(Subsidiary of Gaze Fashion Trade Limited)	INR	79.02	7,793.15	7,893.46	2,246.06	50.47	39.84	10.03	29.82	-
Blood Hound Security Company Private Limited (Subsidiary of Gaze Fashion Trade Limited)	INR	60.02	5,794.72	5,895.69	3,863.41	23.45	92.61	23.31	69.30	-

Note : 43 Statement containing salient features of the financial statements of subsidiaries :

Name of the entity in the Group	[Rupees in Lakhs]							
	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of consolidated profit or Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Holding company:								
Pacific Industries Limited	27.82%	9,824.63	74.55%	776.36	83.85%	108.89	74.88%	790.02
Subsidiaries (Indian):								
Gist Minerals Technologies Limited	25.59%	9,034.60	8.16%	85.01	16.45%	21.36	8.06%	85.01
Gaze Fashion Trade Limited	0.58%	205.59	-0.63%	(6.55)	-0.30%	(0.39)	-0.62%	(6.55)
Radhika Vyapaar Private Limited	7.16%	2,529.11	8.41%	87.56	-	-	8.30%	87.56
Biswas Solar Instrument Private Limited	22.27%	7,862.17	2.86%	29.82	-	-	2.83%	29.82
Blood Hound Security Company Private Limited	16.58%	5,854.74	6.66%	69.30	0.00%	-	6.57%	69.30
Taan Quartz INC	0.00%	(0.16)	-0.02%	(0.16)	-	-	-0.02%	(0.16)

Note : 44 Covid-19

The Spread of COVID-19 has impacted business around the globe. In India, Governments in certain states have imposed various restrictions with the increase in number of COVID -19 cases during the months of March, April and May 2021. The company has considered various internal and external information available up to the date of approval of these financial statements in assessing the impact of COVID-19 pandemic on the financial results for the year ended March 31, 2021.

On the basis of assessment done by the company and based on the internal/external sources of information and application of reasonable estimates, the company has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the financial results.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID-19, which may impact above assessment.

Note : 45 Code on Social security

The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules to determine the financial impact are notified and the Code becomes effective

Note : 46 The company has Incorporated US Based Wholly Owned Subsidiary Company named as "TAANI QUARTZ INC." and company is in process to subscribe the share capital of the same.

Note : 47 The Company has Closed its Bangalore Unit w.e.f. 31st Oct 2020 and Workmen Compensation Expenses of Rs 1.45 Crores related to this unit has been provided in the books of Accounts as estimated by the management but still the matter is pending with office of Assistant Labour Commissioner and order of the same is yet to be passed.

Note 48 : During the year under review the company has undertaken an exercise to reconcile all old outstanding balances and all old balances which are unreconciled / considered non recoverable amounting to Rs 777.89 Lacs have been written off during the year.

Note : 49 Gaze FashionTrade Limited has applied for merger of its wholly owned subsidiaries Radhika Vyapaar Private Limited, Biswas Solar Instrument Private Limited and Blood Hound Security Company Private Limited with itself under section 233 of Companies Act 2013 on 12.03.2020 and approval from Regional Director, South Eastern Region, Hyderabad has been received on 07th January 2021 but final approval from MCA is yet to be received as on 31.03.2021, so Individual Audited Financial Statements of all the three has been considered for the purpose of Consolidation of the same in this Consolidated Financial Statements.

Note : 50 The previous year's figures have been regrouped, rearranged and reclassified to conform to current year Ind-AS presentation requirements.

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(Paras Bhatia)
Partner
M.No. 418196

For and on behalf of Board of Directors
Pacific Industries Limited

(J.P. Agarwal)
(Chairman & Managing Director)
DIN:00386183

(Kapil Agarwal)
(Executive Director & CFO)
DIN:00386298

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS24518)

Date: 30th June 2021
Place: Udaipur

Pacific Industries Limited
Notes to the Consolidated IND AS Financial Statement for the year ended 31st March 2021

Note 3 : Property, Plant & Equipments

FY 2020-21

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021

Particulars	Tangible Assets							(Rupees in Lakhs)	
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total
Gross Carrying value as at April 1, 2020	683.57	2,945.00	11,326.54	180.82	73.50	724.97	1,222.96	345.30	17,502.66
Additions	107.68	41.97	275.26	14.85	22.27	468.36	-	23.43	951.81
Deletions	-	-	-	-	-	-	-	-	-
Gross Carrying value as at March 31, 2021	791.25	2,986.97	11,601.80	195.67	95.77	1,191.33	1,222.96	368.73	18,454.47
Accumulated depreciation as at April 1, 2020	-	906.48	5,880.25	128.02	58.77	523.66	1,147.19	30.78	8,675.16
Depreciation	-	104.22	519.06	11.70	6.78	160.00	4.96	37.11	843.93
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	-	1,010.70	6,399.31	139.72	65.55	683.66	1,152.15	67.89	9,518.99
Carrying Value as at March 31, 2021	791.25	1,976.28	5,202.50	55.96	30.23	507.68	70.81	300.84	8,935.54
Carrying Value as at March 31, 2020	683.57	2,038.53	5,446.30	52.81	14.74	261.32	75.77	314.53	8,827.55

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020

Particulars	Tangible Assets							(Rupees in Lakhs)	
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total
Gross Carrying value as at April 1, 2019	400.17	1,793.70	7,128.15	178.38	62.36	776.18	1,205.04	64.00	11,608.60
Additions	283.40	1,151.50	4,198.19	2.44	10.54	12.47	17.92	281.10	5,997.76
Deletions	-	-	-	-	-	63.68	-	-	63.68
Gross Carrying value as at March 31, 2020	683.57	2,945.00	11,326.34	180.82	73.50	724.97	1,222.96	345.30	17,902.66
Accumulated depreciation as at April 1, 2019	0.00	810.25	5,404.14	113.33	52.44	455.92	1,131.73	14.20	8,023.00
Depreciation	0.00	96.23	476.31	14.69	6.34	87.02	14.46	16.58	711.43
Accumulated depreciation on deletions	-	-	-	-	-	59.27	-	-	59.27
Accumulated depreciation as at March 31, 2020	0.00	906.48	5,880.35	128.02	58.77	523.66	1,147.19	30.78	8,675.16
Carrying Value as at March 31, 2020	683.57	2,038.53	5,446.30	52.81	14.74	261.32	75.77	314.53	8,827.55
Carrying Value as at April 1, 2019	400.17	983.45	1,724.03	65.05	10.53	280.28	72.31	49.40	3,485.99

(Rupees in Lakhs)

(Rupees in Lakhs)

ACCOUNT RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information on standalone the basis of stand alone financials.

Accounting Ratios

Particulars	Based on Unaudited Financial Results#	Based on Unaudited Financial Results#	Based on Audited Financial Statements	Based on Audited Financial Statements
	For the Quarter ended Dec 31, 2021^	For the Quarter ended Dec 31, 2020^	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Basic earnings per share (₹)	2.98	0.20	22.53	0.71
Diluted earnings per share (₹)	2.98	0.20	22.53	0.71
Return on Net Worth (%)	0.93%	0.07%	7.90%	0.21%
Net Asset Value per Equity Share (₹)	320.89	278.40	285.10	259.41
EBITDA (₹ in lakhs)	585.54	317.21	2572.63	1286.36

#unaudited subject to limited review

^ not annualised

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 after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable / Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Net Profit / (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income) / Net worth at the end of the period / year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Net Profit / (Loss) for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss.

Calculation of Return of Net Worth

(In ₹ lakh, unless otherwise specified)

Particulars	For the Quarter ended Dec 31,2021# Unaudited	For the Quarter ended Dec 31, 2020# Unaudited	As at and for the year ended March 31, 2021 Audited	As at and for the year ended March 31, 2020 Audited
Net Profit / (Loss) after Tax (before OCI) (A)	102.85	6.77	776.36	18.54
Net Worth (B)	11059	9594.05	9824.63	8939.38
Return of Net Worth (A/B) (%)	0.93%	0.07%	7.90%	0.21%

#unaudited subject to limited review

Calculation of Net asset value per Equity Share

(In ₹ lakh, unless otherwise specified)

Particulars	For the quarter ended Dec 31,2021# Unaudited	For the quarter ended Dec 31, 2020# Unaudited	As at and for the year ended March 31,2021 Audited	As at and for the year ended March 31,2020 Audited
Net Worth (A) (₹ in lakhs)	11059	9594.05	9824.63	8939.38
No. of Shares (B) (in numbers)	34,46,325	34,46,325	34,46,325	34,46,325
Net Assets Value [(A x 100,000) / B]	320.89	278.40	285.10	259.41

#unaudited subject to limited review

Calculation of EBITDA

(In ₹ lakh, unless otherwise specified)

Particulars	For the Quarter ended Dec 31,2021# Unaudited	For the Quarter ended Dec 31, 2020# Unaudited	As at and for the year ended March 31,2021 Audited	As at and for the year ended March 31,2020 Audited
Net Profit / (Loss) after Tax	102.85	6.77	776.36	18.54
Add: Taxes	42.26	1.34	364.11	-6.47
Add: Interest	185.39	107.52	593.19	565.62
Add: Depreciation	255.04	201.58	838.97	708.67
EBITDA	585.54	317.21	2572.63	1286.36

#unaudited subject to limited review

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2021 and March 31, 2020 and our limited review unaudited financial results for the 9 months ended December 31, 2021 and December 31, 2020, included in this Letter of Offer. Our audited financial statements for Fiscal 2021 and Fiscal 2020, and our limited review unaudited financial results for the 9 months ended December 31, 2021 and December 31, 2020, are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the audited financial statements and limited review unaudited financial results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward - looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward - Looking Statements” on pages 25 and 19 respectively.

Our financial year ends on March 31 of each year, so all references to a particular “financial year” and “Fiscal” are to the twelve (12) month period ended March 31 of that year. References to the “Company”, “we”, “us” and “our” in this chapter refer to Pacific Industries Limited.

Neither we, nor the BRLMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information.

OVERVIEW OF OUR BUSINESS

Our Company is presently engaged in production and export of polished granites slabs, cut-to-size polished granite tiles, polished marble slabs, polished natural stones and quartz slabs. It also trades and export in granite / marble slabs & tiles, rough granite / marble blocks, sandstone, slate stone and all other kinds of stone.

Our Company in the year 2018-2019 had ventured into Quartz business in the brand name of ‘TANNJ QUARTZ’. Quartz is one of the hardest natural materials on earth and appears similar to that of granite. The key distinguishing factors of Quartz is that they are naturally scratch and stain resistant and non-porous. Quartz surfaces are produced by Pacific Industries Limited by combining pure natural quartz, resin and other raw materials that are extraordinarily hard and resilient. These characteristics combine to create an ideal surface for kitchen countertops, bathrooms and other interior vertical applications. Demand for quartz has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties

Currently our Company is producing the Quartz slabs from two press-lines and one calibration cum polish line. The demand for Super Jumbo Size specially from United States of America (USA) has increased and looking to the current market trend, production of more Super Jumbo slabs are required to meet the demand of the Clients in both Mono Color, Multicolor and Marble based designs. With existing two press-lines and one calibration cum polish line, our Company is finding it difficult to manage timely production due to multiple design order execution and hence our Company has undertaken the expansion in Quartz

project by installing third Press-line and second calibration cum press-line. With the present expansion plans, our Company is sure to meet the enhanced demand for Super Jumbo slabs in both Mono Color, Multicolor and Marble based designs from the Clients.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021

To our knowledge and belief, no circumstances other than those disclosed in this letter of offer have arisen since the date of the last financial statements contained in this letter of offer which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 25. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- The impact of COVID - 19 pandemic;
- Geo political factor across the globe.
- Factors affecting the marble, granite and quartz industry;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.
- Changes in duties including anti-dumping duties on the products Company deals in.

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2021, as required by Ind AS 1 and other applicable standards, see section titled "Financial Information" on page 88.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter "Financial Information" on page 88, there has been no change in accounting policies during the 9 Months ended December 31, 2021 and during the Fiscal 2021.

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth certain information with respect to our results of operations for the periods indicated on standalone and consolidated basis

Standalone Basis

Particulars	Nine month ended on Dec 31, 2021		Nine month ended on Dec 31, 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	22,781.96	99%	10,742.11	98%
Other Income	341.79	1%	196.79	2%
Total Revenue	23,123.75	100%	10,938.90	100%
Cost of Goods Sold	17,187.51	74%	6,712.19	49%
Employee Benefit Exp	635.65	3%	610.43	6%
Other Exp	2,537.69	11%	1,883.11	17%
Finance Cost	489.96	2%	442.15	4%
Depreciation and Amortization Exp	670.48	3%	565.01	5%
Total Exp	21,521.29	93%	10,212.88	93%
Profit/(Loss) before tax	1,602.46	7%	726.01	7%
Net Tax Exp	412.82	2%	121.17	1%
Profit/(Loss) after tax	1,189.63	5%	604.84	6%

OVERVIEW OF RESULTS OF OPERATION

On Standalone basis for 9 months ended December 31, 2021, compared to 9 months ended December 31, 2020

Total Revenue

Our total revenue for the 9 months ended December 31, 2021, was ₹ 23,123.75 lakhs as compared to ₹ 10,938.90 lakhs for the 9 months ended December 31, 2020, representing an increase of 111.39%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 9 months ended December 31, 2021, was ₹ 22,781.96 Lakhs as compared to ₹ 10,742.11 Lakhs for the 9 months ended December 31, 2020, representing an increase of 112.08%. This was primarily due to increase in exports sale of Quartz and also income from non-recurring trading income of iron ore.

Other Income

Other income for the 9 months ended December 31, 2021, was ₹ 341.79 Lakhs as compared to ₹ 196.79 Lakhs for 9 months ended December 31, 2020, representing a increase of 73.68%. The increase is pertaining to other non-recurring income.

Total Expenses

Our total expenditure for the 9 months ended December 31, 2021, was ₹ 21,521.29 Lakhs as compared to ₹ 10,212.88 Lakhs for 9 months ended December 31, 2020, representing an increase of 110.73% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the 9 months ended December 31, 2021, was ₹ 17,187.51 Lakhs as compared to ₹ 6,712.19 Lakhs for the 9 months ended December 31, 2020, representing an increase of 156.06%. This was due to increase in raw material prices mainly of Polyester Raisin.

Employee Benefit Expenses

Employee benefit expense for the 9 months ended December 31, 2021, was ₹ 635.65 Lakhs as compared to ₹ 610.43 Lakhs for the 9 months ended December 31, 2020, representing an increase of 4.13%. This increase was mainly due to increase in overall sales.

Other Expenses

The other expenses for the 9 months ended December 31, 2021, was ₹ 2,537.69 Lakhs as compared to ₹ 1,883.11 Lakhs for the 9 months ended December 31, 2021, representing a increase of 34.76%. This increase was on account of increase in overall sales.

Finance Cost

Finance costs for the 9 months ended December 31, 2021, was ₹ 489.96 Lakhs as compared to ₹ 442.15 Lakhs for the 9 months ended December 31, 2020, representing a increase of 10.81%. The increase in the finance cost was due to increase in borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the 9 months ended December 31, 2021, was ₹ 670.48 Lakhs as compared to ₹ 565.01 Lakhs for the 9 months ended December 31, 2020, representing an increase of 18.67%. The increased in depreciation was because of addition of Plant and Machinery.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 9 months ended December 31, 2021, was ₹ 1,602.46 Lakhs as compared to ₹ 726.01 for the 9 months ended December 31, 2020 representing an increase of 120.72%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expense for the 9 months ended December 31, 2021, was ₹ 412.82 Lakhs as compared to ₹ 121.17 Lakhs for the 9 months ended December 31, 2020, representing an increase of 240.70%. The increase in the tax expenses was due to increase in business profits.

Profit/(Loss) After Tax

The profit/(loss) after tax for 9 months ended December 31, 2021, was ₹ 1189.63 Lakhs as compared to ₹ 604.84 Lakhs for the 9 months ended December 31, 2020, representing an increase of 96.69%. This increase in profit after tax was on account of the reasons discussed above.

Fiscal 2021 compared to Fiscal 2020

Particulars	Fiscal 2021		Fiscal 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	17,675.26	97%	9,719.16	93%
Other Income	499.24	3%	709.24	7%
Total Revenue	18,174.50	100%	10,428.40	100%
Cost of Goods Sold	8,342.62	46%	4,877.65	47%
Manufacturing exp	4,038.81	22%	2,297.36	22%
Employee Benefit Exp	837.39	5%	1,040.21	10%
Administrative Exp	1,432.12	8%	387.94	4%
Selling & Distribution Exp	950.92	5%	538.88	5%
Finance Cost	593.19	3%	565.62	5%
Depreciation and Amortization Exp	838.97	5%	708.67	7%
Total Exp	17,034.03	94%	10,416.33	100%
Profit/(Loss) before tax	1,140.47	6%	12.07	0%
Net Tax Exp	364.11	2%	-6.47	0%
Profit/(Loss) after tax	776.36	4%	18.54	0%

OVERVIEW OF RESULTS OF OPERATION

On Standalone basis for the Fiscal 2021 , compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021, was ₹ 18,174.50 lakhs as compared to ₹ 10,428.40 lakhs for the Fiscal 2020, representing an increase of 74.28%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2021, was ₹ 17,675.26 Lakhs as compared to ₹ 9,719.16 Lakhs for the Fiscal 2020, representing an increase of 81.86%. This was primarily due to significant increase in exports sale of Quartz

Other Income

Other income for the Fiscal 2021, was ₹ 499.24 Lakhs as compared to ₹ 709.24 Lakhs for the Fiscal 2020, representing decrease of 29.61%. The decrease was pertaining to other non-recurring income like discount income, commission on business contracts

Total Expenses

Our total expenditure for the Fiscal 2021, was ₹ 17,034.02 Lakhs as compared to ₹ 10,416.33 Lakhs for the Fiscal 2020, representing an increase of 63.53% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2021, was ₹ 8,342.62 Lakhs as compared to ₹ 4,877.65 Lakhs for the Fiscal 2020, representing an increase of 71.04%. This was due to increase in raw material prices and to commensurate to the increase in overall sales.

Manufacturing Expenses

The manufacturing expenses for the Fiscal 2021 was ₹ 4,038.81 Lakhs as compared to ₹ 2,297.36 Lakhs for the Fiscal 2020, representing an increase of 75.80%. Higher manufacturing cost was mainly due to increase in overall sales.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2021 was ₹ 837.39 Lakhs as compared to ₹ 1040.21 Lakhs for the Fiscal 2020, representing a decrease of 19.50%. This decrease was mainly because of shut down of Bangalore unit.

Administrative Expenses

The administrative expenses for the Fiscal 2021, was ₹ 1432.12 Lakhs as compared to ₹ 387.94 Lakhs for the Fiscal 2020, representing an increase of 269.16%. This increase was mainly because of debtors written off worth ₹ 8.3Cr during the year

Selling & Distribution Expenses

The selling and distribution expenses for the Fiscal 2021, was ₹ 950.92 Lakhs as compared to ₹ 538.88 Lakhs for the Fiscal 2020, representing an increase of 76.46%. This increase was mainly on account of Freight and Forwarding Expenses which increased due to growth in export sales of quartz.

Finance Cost

Finance costs for the Fiscal 2021, was ₹ 593.19 Lakhs as compared to ₹ 565.62 Lakhs for the Fiscal 2020, representing an increase of 4.87%. The increase in the finance cost was due to increase in borrowing cost.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2021, was ₹ 838.97 Lakhs as compared to ₹ 708.67 Lakhs for the Fiscal 2020, representing an increase of 18.39%. The increase in depreciation was because of addition of Plant and Machinery and Land and Building worth ₹ 33 Cr in FY 2020-21

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2021, was ₹ 1,140.47 Lakhs as compared to ₹ 12.07 Lakhs for the Fiscal 2020 representing an increase of 9349.69%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expenses for the Fiscal 2021, was ₹ 364.11 Lakhs as compared to ₹ -6.47 Lakhs for the Fiscal 2020, representing an increase of -5727.67%. The increase in the tax expenses was due to increase in business profits in FY 2020-21

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2021, was ₹ 776.36 Lakhs as compared to ₹ 18.54 Lakhs for the Fiscal 2020, representing an increase of 4087.73%. This increase in profit after tax was on account of the reasons discussed above

Consolidated Basis

Particulars	Nine month ended on Dec 31, 2021		Nine month ended on Dec 31, 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	23,004.62	97%	10,842.31	97%
Other Income	722.69	3%	370.58	3%
Total Revenue	23,727.31	100%	11,212.89	100%
Cost of Goods Sold	17227.26	73%	6701.14	60%
Employee Benefit Exp	692.27	3%	663.54	6%
Other Exp	2671.01	11%	2091.55	19%
Finance Cost	238.79	1%	195.74	2%
Deprecession and Amortization Exp	674.93	3%	568.61	5%
Total Exp	21504.26	91%	10220.58	91%
Profit/(Loss) before tax	2,223.05	9%	992.31	9%
Net Tax Exp	576.47	2%	190.12	2%
Profit/(Loss) after tax	1,646.58	7%	802.19	7%

OVERVIEW OF RESULTS OF OPERATION

On Consolidated basis for 9 months ended December 31, 2021, compared to 9 months ended December 31, 2020

Total Revenue

Our total revenue for the 9 months ended December 31, 2021, was ₹ 23,727.31 lakhs as compared to ₹ 11,212.89 lakhs for the 9 months ended December 31, 2020, representing an increase of 112.17%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 9 months ended December 31, 2021, was ₹ 23,004.62 Lakhs as compared to ₹ 10,842.31 Lakhs for the 9 months ended December 31, 2020, representing an increase of 112.17%. This was primarily due to increase in exports sale of Quartz and also income from non-recurring trading income of iron ore.

Other Income

Other income for the 9 months ended December 31, 2021, was ₹ 722.69 Lakhs as compared to ₹ 370.58 Lakhs for 9 months ended December 31, 2020, representing a increase of 95.02%. The increase is pertaining to other non-recurring income.

Total Expenses

Our total expenditure for the 9 months ended December 31, 2021, was ₹ 21,504.26 Lakhs as compared to ₹ 10,220.58 Lakhs for 9 months ended December 31, 2020, representing an increase of 110.40% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the 9 months ended December 31, 2021, was ₹ 17,227.26 Lakhs as compared to ₹ 6,701.14 Lakhs for the 9 months ended December 31, 2020, representing an increase of 221.74%. This was due to increase in raw material prices mainly of Polyester Raisin.

Employee Benefit Expenses

Employee benefit expense for the 9 months ended December 31, 2021, was ₹ 692.27 Lakhs as compared to ₹ 663.54 Lakhs for the 9 months ended December 31, 2020, representing an increase of 4.33%. This increase was mainly due to increase in overall sales.

Other Expenses

The other expenses for the 9 months ended December 31, 2021, was ₹ 2,671.01 Lakhs as compared to ₹ 2,091.55 Lakhs for the 9 months ended December 31, 2020, representing an increase of 27.70%. This increase was on account of increase in overall sales.

Finance Cost

Finance costs for the 9 months ended December 31, 2021, was ₹ 238.79 Lakhs as compared to ₹ 195.74 Lakhs for the 9 months ended December 31, 2020, representing an increase of 21.99%. The increase in the finance cost was due to increase in borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the 9 months ended December 31, 2021, was ₹ 674.93 Lakhs as compared to ₹ 568.61 Lakhs for the 9 months ended December 31, 2020, representing an increase of 18.67%. The increase in depreciation was because of addition of Plant and Machinery.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 9 months ended December 31, 2021, was ₹ 2,223.05 Lakhs as compared to ₹ 992.31 for the 9 months ended December 31, 2020 representing an increase of 124.03%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expense for the 9 months ended December 31, 2021, was ₹ 576.47 Lakhs as compared to ₹ 190.12 Lakhs for the 9 months ended December 31, 2020, representing an increase of 203.21%. The increase in the tax expenses was due to increase in business profits.

Profit/(Loss) After Tax

The profit/(loss) after tax for 9 months ended December 31, 2021, was ₹ 1,646.58 Lakhs as compared to ₹ 802.19 Lakhs for the 9 months ended December 31, 2020, representing an increase of 105.26%. This increase in profit after tax was on account of the reasons discussed above.

Fiscal 2021 compared to Fiscal 2020

Particulars	Fiscal 2021		Fiscal 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	17,825.92	96%	9,883.52	91%
Other Income	760.51	4%	1021.37	9%
Total Revenue	18,586.43	100%	10,904.89	100%
Cost of Goods Sold	8,338.44	45%	4,859.78	45%
Manufacturing exp	4,038.81	22%	2,309.64	21%
Employee Benefit Exp	926.12	5%	1,075.79	10%
Administrative Exp	1,671.86	9%	1,024.84	9%
Selling & Distribution Exp	978.60	5%	548.78	5%
Finance Cost	289.22	2%	312.52	3%
Depreciation and Amortization Exp	844.20	5%	712.26	7%
Total Exp	17,087.25	92%	10,843.61	99%
Profit/(Loss) before tax	1,499.18	8%	61.28	1%
Net Tax Exp	457.85	2%	16.73	0%
Profit/(Loss) after tax	1,041.33	6%	44.55	0%

OVERVIEW OF RESULTS OF OPERATION

On Consolidated basis for the Fiscal 2021 , compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021, was ₹ 18,586.43 lakhs as compared to ₹ 10,904.89 lakhs for the Fiscal 2020, representing an increase of 70.44%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2021, was ₹ 17,825.92 Lakhs as compared to ₹ 9,883.52 Lakhs for the Fiscal 2020, representing an increase of 80.36%. This was primarily due to significant increase in exports sale of Quartz

Other Income

Other income for the Fiscal 2021, was ₹ 760.51 Lakhs as compared to ₹ 1021.37 Lakhs for the Fiscal 2020, representing decrease of 25.54%. The decrease was pertaining to other non-recurring income like discount income, commission on business contracts

Total Expenses

Our total expenditure for the Fiscal 2021, was ₹ 17,087.25 Lakhs as compared to ₹ 10,843.61 Lakhs for the Fiscal 2020, representing an increase of 57.58% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2021, was ₹ 8,338.44 Lakhs as compared to ₹ 4,859.78 Lakhs for the Fiscal 2020, representing an increase of 71.58%. This was due to increase in raw material prices and to commensurate to the increase in overall sales.

Manufacturing Expenses

The manufacturing expenses for the Fiscal 2021 was ₹ 4,038.81 Lakhs as compared to ₹ 2,309.64 Lakhs for the Fiscal 2020, representing an increase of 74.87%. Higher manufacturing cost was mainly due to increase in overall sales.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2021 was ₹ 926.12 Lakhs as compared to ₹ 1,075.79 Lakhs for the Fiscal 2020, representing a decrease of 13.91%. This decrease was mainly because of shut down of Bangalore unit.

Administrative Expenses

The administrative expenses for the Fiscal 2021, was ₹ 1,671.86 Lakhs as compared to ₹ 1,024.84 Lakhs for the Fiscal 2020, representing an increase of 63.13%. This increase was mainly because of debtors written off .

Selling & Distribution Expenses

The selling and distribution expenses for the Fiscal 2021, was ₹ 978.60 Lakhs as compared to ₹ 548.78 Lakhs for the Fiscal 2020, representing an increase of 78.32%. This increase was mainly on account of Freight and Forwarding Expenses which increased due to growth in export sales of quartz.

Finance Cost

Finance costs for the Fiscal 2021, was ₹ 289.22 Lakhs as compared to ₹ 312.52 Lakhs for the Fiscal 2020, representing a decrease of 7.46%. The decrease in the finance cost was due to decrease in borrowing cost.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2021, was ₹ 844.20 Lakhs as compared to ₹ 712.26 Lakhs for the Fiscal 2020, representing an increase of 18.52%. The increase in depreciation was because of addition of Plant and Machinery and Land and Building .

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2021, was ₹ 1,499.18 Lakhs as compared to ₹ 61.28 Lakhs for the Fiscal 2020 representing an increase of 2346.44%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expenses for the Fiscal 2021, was ₹ 457.85 Lakhs as compared to ₹ 16.73 Lakhs for the Fiscal 2020, representing an increase of 2636.70%. The increase in the tax expenses was due to increase in business profits in FY 2020-21

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2021, was ₹ 1,041.33 Lakhs as compared to ₹ 44.55 Lakhs for the Fiscal 2020, representing an increase of 2237.44%. This increase in profit after tax was on account of the reasons discussed above

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company and its Subsidiaries are involved in certain legal proceedings from time to time, primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions, which are pending before various authorities. Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; and (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

For the purpose of the Issue, all outstanding civil litigations have been considered as material and accordingly, have been disclosed in this chapter.

Pre-litigation notices received by our Company and/or our Subsidiaries from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) have not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

A. Proceedings involving issues of moral turpitude or criminal liability on part of our Company and/or our Subsidiaries

NIL

B. Matter involving material violations of statutory regulations by our Company and/or our Subsidiaries

NIL

C. Economic offences where proceedings have been initiated against our Company and/or our Subsidiaries

NIL

D. Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company and/or our Subsidiaries

1. Company

(a) Criminal Litigation

NIL

(b) Civil Litigation

1. Pacific Industries Limited Employee Association vs. Pacific Industries Limited

Our Company had closed its the Nelamangala Unit with effect from 31.10.2020. In this regard, Pacific Industries Limited Employee Association (“**Petitioner**”) has challenged the said closure before Additional Labor Commissioner and alleged violation of Section 25-M and section 25-O of Industrial Disputes Act by management of our Company. The matter is currently pending for adjudication.

2. Narasimharaju. T.N vs. Management of Pacific Industries Limited (ID ACT 83/2017)

Mr. Narasimharaju. T.N (“**Petitioner**”) submitted an application on 15.11.2017 before the Court of the Hon’ble First Additional District and Sessions Judge Court, Bangalore Rural District, Bangalore, under section 10(4-A) of the Industrial Disputes (Karnataka Amendment) Act, 1987 read with section 2-A of Industrial Disputes Act, 1947 against dismissal of the Petitioner passed by our Company in an order dated 17.08.2017 on grounds of wilful damage, harassment etc. The matter is currently pending for adjudication.

3. M/s Yash Minerals a Partnership Firm v. The State of Madhya Pradesh and Others (WP/14064/2021), (WP/14295/2021), (WP/14297/2021), (WP/14298/2021) and (WP/14068/2021)

M/s Yash Minerals (“**Petitioner**”) has filed the above referred Writ Petitions before the Hon’ble High Court of Madhya Pradesh against the State of Madhya Pradesh in relation to rejection of Petitioner’s application for grant of prospecting license over Khasra No.473/1, area 42.0498 hectares, situated in Village Patan, Tahsil Jaithari, District Anuppur (M.P.) by the State of Madhya Pradesh. Our Company has also been impleaded as a party as Respondent No. 5 in the said petitions as our Company was selected for said prospecting license. The Court has ordered the parties to maintain status-quo with regard to the area of the subject prospective license. The matter is currently pending for adjudication.

4. Narendra Singh vs. Om Singh and Others (MACT 530/2021) and Vikas vs. Om Singh and Others (MACT 531/ 2021)

The above referred cases have been registered before the Motor Vehicle Act Tribunal against Om Singh (a driver on rolls of our Company) and our Company under Section 166 of the Motor Vehicle Act, 1988 in relation to the accident involving the said driver of Our Company while he was driving our Company’s vehicle. The matter is currently pending for adjudication.

5. Pacific Industries Limited & Anr. vs. State of Rajasthan & Ors. [(CW / 6666 / 2016), (CW / 6676 / 2016), (APPLW / 5382 / 2016) and (APPLW / 5383 / 2016)]

Under the said writ petition, Our Company and another company, Ojaswi Marbles & Granites Pvt. Ltd, have challenged the action of the Central Government of considering the applications filled by Our Company for grant of prior approval of the Central Government under Section 5 (1) of the Mines & Minerals (Development and Regulation) Act of 1957 (“**M&M Act**”) as ineligible. Our Company and Ojaswi Marbles & Granites Pvt had made applications for three (3) mining leases – one (1) by Ojaswi Marbles & Granites and, the other two (2) by Our Company. The applications were recommended by the Government of Rajasthan for grant of prior approval of the Central Government under Section 5 (1) of the M&M Act. The application filed by Ojaswi Marbles & Granites Pvt. Ltd was granted approval by the Central Government whereas the other two (2) applications, by Our Company, remained pending for consideration. In the meanwhile, the Mines & Minerals (Development & Regulation) Amendment Act, 2015 (“**Amendment Act**”) came in effect and inserted Section 10-A under the M&M Act. Section 10-A, subject to certain exceptions, declared all applications received prior to the enactment of Amendment Act as ineligible. In the light of the said Amendment Act, the Central Government concluded that the applications filed by Our Company had become ineligible. Upon this, the Government of Rajasthan requested the Central Government that the proposal made by it for seeking prior approval of the Central Government be treated as ‘Letter of Intent’ in favor of the applicant and accordingly, the applications

filed by Our Company should be treated as eligible, being covered by the exception under Section 10-A (2) (c) of the M&M Act. Thereafter, the Central Government informed the State Government that their contention was untenable and the applications cannot be treated as eligible under Section 10-A (2) (c) of the Act. The said action of the Central Government has been challenged under the said Writ Petition. By an order dated 08.02.2018, the Hon'ble High Court of Rajasthan adjourned the matter *sine die* because the issue involved in the petition was pending before the Hon'ble Supreme Court.

6. The Union of India vs. M/s Pacific Industries Ltd and Anr. (OTRC/ 2191/ 2001(F))

Details for the matter are not available with the Company.

7. M/s. Pacific Industries Ltd. vs. Union of India and Ors. (CW / 13898 / 2005(F))

Details for the matter are not available with the Company.

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

S. No.	AY	Forum	Citation	Issue/s	Addition in Income (Rs.)	Demand Involved (Rs.)
1.	2018-19	INTIMATION U/S 143(1)	CPC/1819/ G22/1919462052	Differential amount payable on account of differences arising on comparison between return filed by the taxpayer and computation provided u/s 143(1)	54,91,906/-	33,06,170/-
2.	2017-18	INTIMATION U/S 143(1)	CPC/1718/ G22/1809773414	Differential amount payable on account of disallowance under section 43B between return filed by the taxpayer and computation provided u/s 143(1)	68,482/-	-
3.	All A.Y. until now.	TDS Default statement	-	Interest on short payment, Late filing fee & Penalty for Late filing.	-	43,410/-
4.	All A.Y. until now - PIL Katni.	TDS Default statement	-	Interest on short payment, Late filing fee & Penalty for Late filing.	-	820/-

(ii) Outstanding Indirect Tax Proceedings

1. Pacific Industries Ltd. vs. Union of India (CW / 12190 / 2019)

Our Company has filed a Civil Writ Petition numbered as 12190/2019 before the Hon'ble Rajasthan High Court at Jodhpur seeking a prayer that the GST Authority be directed to process FORM GST ITC-02A as submitted manually by Our Company and further allow the transfer of unutilised input tax credit amounting to Rs. 2,58,03,590/- from the existing unit having GSTINNo. 08AAACP7645R1ZN to newly registered unit having GSTIN No. 08AAACP7645R2ZM and consequently reflect the amount in the Electronic Credit Ledger of the New Registration in accordance with Section 164 of CGST Act, 2017 read with Rule 41A of the GST Rules, 2017.

2. Details of other pending litigation are as under :

S. No.	Period	Forum	Citation	Issue/s	Amount Involved (Rs.)
1.	2009	Excise: CESTAT Delhi	Excise/1701/2009	<i>Quantification is not possible due to unavailability of records.</i>	
2.	2010	Service Tax: CESTAT Delhi	Service Tax/492/2010	<i>Quantification is not possible due to unavailability of records.</i>	-
3.	2010	Service Tax: CESTAT Delhi	Service Tax/505-506/2010	<i>Quantification is not possible due to unavailability of records.</i>	
4.	2017	Customs: CESTAT Delhi	Customs/51523/2017	Actual wastage exceeds SION norms notified for the product.	1,19,15,690/-
5.	2017	Customs: CESTAT Delhi	Customs/51428/2017	Actual wastage exceeds SION norms notified for the product.	93,26,640/-
6.	2017	Customs: CESTAT Delhi	Customs/51534/2017	Actual wastage exceeds SION norms notified for the product.	18,70,024/-
7.	April to December 2014	Customs: CESTAT Delhi	Customs/50799/2019	Actual wastage exceeds SION norms notified for the product.	39,46,743/-
8.	January to September 2015	Customs: CESTAT Delhi	Customs/50800/2019	Actual wastage exceeds SION norms notified for the product.	31,06,308/-

9.	October 2015 to June 2016	Customs: CESTAT Delhi	Customs/50801/2019	Actual wastage exceeds SION norms notified for the product.	19,22,577/-
10.	09.10.2018 to till date	Superintendent-GST	DIN-20210757YX000000FF2A	Refund claimed in contravention of Rule 96(10) of CGST Rules 2017	64,63,672/-
11.	July 2016 to June 2017	SUPERINTENDENT, CUSTOMS RANGE, UDAIPUR	C. No. : 11-P/1/Cus-Dem/Pacific/2018/547	Actual wastage exceeds SION norms notified for the product.	9,29,022/-
12.	As per contingent liability annexure of Financial Statement	SCN	SCN- Excise Authorities	Availing wrong benefits of exemption notification on imported marble	1,02,00,000/-
13.	As per contingent liability annexure of Financial Statement	SCN	SCN- Custom Authorities	Availing wrong benefits of exemption notification on imported marble	4,94,00,000/-

2. OUR SUBSIDIARIES

(a) Criminal Litigation

NIL

(b) Civil Litigation

NIL

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

GIST MINERALS TECHNOLOGIES LIMITED					
S. No.	A.Y.	Forum	Issue	Proposed Addition in Income (Rs.)	Demand Involved (Rs.)
1.	All A.Y. until now.	TDS Default statement	Interest on short payment, Late filing fee & Penalty for Late filing.		240/-

(ii) Outstanding Indirect Tax Proceedings

NIL

3. OUR KEY MANAGERIAL PERSON

(a) Criminal Litigation

NIL

(b) Civil Litigation

NIL

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

1. <u>Mr. J. P. Agarwal</u>					
S. No.	A.Y.	Forum	Issue	Proposed Addition in Income (Rs.)	Demand Involved (Rs.)
1.	2010	IT Department	Interest vide demand reference no. 2019201040402224415T	-	1,45,480/-

(ii) Outstanding Indirect Tax Proceedings

NIL

GOVERNMENT APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting its present business activities. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Except for the following, as on the date of this Letter of Offer, there are no pending material approvals required for the existing business and operations of our Company and our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities and operations. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

I. MATERIAL PENDING GOVERNMENT AND REGULATORY APPROVALS PERTAINING TO THE OBJECT OF THE ISSUE

Since, our Company intends to utilize the Net Proceeds from the Issue towards repayment of unsecured loan availed from the related party and to meet working capital requirements of the Company, no government and regulatory approval pertaining to the Objects of the Issue will be required.

II. PENDING MATERIAL GOVERNMENT AND REGULATORY APPROVALS TO CONDUCT OUR BUSINESS

- (i) Our Company is yet to obtain a registration under Madhya Pradesh Vritti Kar Adhiniyam, 1995 for our branch office situated at Banglow No 4, Anand Vihar Colony, Bargawan Jabalpur Road, Katni – 483773, Madhya Pradesh.
- (ii) Our Company is yet to obtain a separate unit code under Employee State Insurance Act, 1948 for our branch office situated at Banglow No 4, Anand Vihar Colony, Bargawan Jabalpur Road, Katni – 483773, Madhya Pradesh.
- (iii) Our Company is yet to obtain a Stability Certificate under Rule 3-C of Rajasthan Factories Rules, 1951 for Plant at Unit II, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan.
- (iv) In compliance with the consent to operate under Sections 25/26 of Water (Prevention and Control of Pollution) Act, 1974, our Company is yet to obtain N.O.C. for storage of resins in industry premises from factory and boiler department and explosive department for Plant at Unit II, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan.
- (v) Our Company is yet to obtain fire N.O.C. from the Municipality at Udaipur for Marble Plant at Unit I, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan and for Plant at Unit II, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on January 20, 2022, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board, in its meeting held on [•] has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. [•] per Equity Share (including a premium of Rs. [•] per Equity Share) aggregating up to Rs. [•] crore. The Issue Price is Rs. [•] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date

Our Company has received in-principle approvals from BSE for listing of the Equity Shares to be allotted in this Issue pursuant to their letter each dated [•]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [•] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *“Terms of the Issue”* beginning on page 228.

PROHIBITION BY SEBI

Except as disclosed below, our Company, our Promoters, members of the Promoter Group or our Director(s) have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI:

BSE vide letter no. List/rkk/sna/alf-susp/2002/523483 had suspended the trading in the securities of our Company with effect from January 07, 2002, due to non-compliance of provisions of the Listing Agreement. However, BSE vide Notice No. 20090519-13, revoked the said suspension in trading of equity shares of Our Company with effect from May 25, 2009.

The companies with which our Promoter or our Directors are associated as promoter or directors are not debarred from accessing the capital market by SEBI.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

ASSOCIATION WITH SECURITIES MARKET

We confirm that none of our Director(s) is associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

PROHIBITION BY RBI

Neither our Company nor our Promoter or our Directors have been or are identified as Willful Defaulters.

ELIGIBILITY FOR THIS ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions 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 for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Bombay Stock Exchange of India Limited ("BSE") is the Designated Stock Exchange for 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 Listing Agreement or 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;
- 2) The reports, statements and information referred to above are available on the websites of BSE and;
- 3) Our Company has an investor grievance-handling mechanism which includes meeting of the Shareholders' Relationships 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 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 LETTER OF OFFER TO 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 THE LETTER OF OFFER. THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ICDR) REGULATIONS, 2018. 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 THE LETTER OF OFFER, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 04.03.2022 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 LETTER OF OFFER PERTAINING TO THE ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND 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 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 THIS 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, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH THE BOARD 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 LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – NOT APPLICABLE
6. ALL THE APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE OFFER DOCUMENT. – NOT APPLICABLE
7. ALL THE APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATES TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH,

ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE

8. WE CONFIRM THAT THE NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED / TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40 (3) OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.
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 WITH TO THE EXTENT APPLICABLE.
10. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
11. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE.
12. WE CONFIRM THAT THE ISSUE IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOT APPLICABLE
13. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE COMPANY, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY

TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE LETTER OF OFFER HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS – COMPLIED WITH

- 14. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY – COMPLIED WITH**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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, SRUJAN ALPHA CAPITAL ADVISORS LLP ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company 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 instance of our Company and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Rajasthan, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue will be BSE.

DISCLAIMER OF THE BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, is as follows:

[•]

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements any other issue material (**collectively, "Issue Materials"**) and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders who are (i) within the United States and to U.S. Persons that are U.S. QIBs, pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also QPs in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions.

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 and Application Form 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 Letter of Offer is being filed with SEBI and the Stock Exchanges.

This 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.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail

address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S, EXCEPT FOR THESE PURPOSES, U.S. PERSONS INCLUDE PERSONS WHO WOULD OTHERWISE HAVE BEEN EXCLUDED FROM SUCH TERM SOLELY BY VIRTUE OF RULE 902(K)(1)(VIII)(B) OR RULE 902(K)(2)(I)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD (I) WITHIN THE UNITED STATES OR TO U.S. PERSONS THAT ARE U.S. QIBS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET OUT IN SECTION 4(A)(2) OF THE U.S. SECURITIES ACT, THAT ARE ALSO QPS IN RELIANCE UPON SECTION 3(C)(7) OF THE U.S. INVESTMENT COMPANY ACT AND (II) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. OUR COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE U.S. INVESTMENT COMPANY ACT. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES MAY NOT BE RE-OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S TO A PERSON OUTSIDE THE UNITED STATES AND NOT REASONABLY KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONA FIDE SALE ON THE STOCK EXCHANGES).

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 (other than persons in the United States who are both U.S. QIBs and QPs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are both U.S. QIBs and QPs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Rights Entitlement

Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, 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 and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws 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, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

FILING

The Draft Letter of Offer was filed with the BSE. Pursuant to the receipt of the in - principle approval from the Stock Exchange, the final Letter of Offer is being filed with Stock Exchanges and is being submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders Relationship Committee which currently comprises of Mr. Pradeep Kumar Jain, Mr. Vikas Misra and Mrs. Geeta Devi Agarwal. The broad terms of reference include issues related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, approve

issue of duplicate certificates and new certificates on split/consolidation/renewal etc., approve transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner and oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services; consider and review reports on employee, vendor and customer satisfaction surveys respectively. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 15 working days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process or the 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 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 on page 228. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Link Intime India Private Limited

Address: C-101, First Floor, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083, Maharashtra, India

Telephone: +91 (22) 4918 6200

E-mail Id: pacific.rights@linkintime.co.in

Investor grievance e-mail: pacific.rights@linkintime.co.in

Contact person: Mr. Sumeet Deshpande

Website: www.linkintime.co.in

SEBI registration number: INR000004058

Company Secretary and Compliance Officer

Name: Mr. Sachin Shah

Address: Village Bedla, Udaipur-313001

Telephone: 0294-2440933, 2440388

Email: companysecretary@pacificindustriesltd.com

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 (www.linkintime.co.in). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 (22) 4918 6200.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.linkintime.co.in.

OVERVIEW

This 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 Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, 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 RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch atleast three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity

Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them 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.

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:

- i. our Company at www.pacificindustriesltd.com;
- ii. the Registrar at www.linkintime.co.in;
- iii. the Lead Manager at www.srujanalpha.com;
- iv. the Stock Exchange at www.bseindia.com; and
- v. the Registrar's web-based application platform at www.linkintime.co.in. ("R-WAP")

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company, the 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 Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. **FACILITIES FOR APPLICATION IN THIS ISSUE:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the "SEBI Rights Issue 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 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 the R-WAP. For details, please see "Procedure for Application through the ASBA Process" and "Procedure for Application through R-WAP facility" on page 244.

- (a) ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in their respective ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors should note that the ASBA process involves procedures that are different from the procedure

under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please see “Procedure for Application through the ASBA Process” on page 244.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

(b) Registrar’s Web-based Application Platform (R-WAP): In accordance with the R- WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident 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. 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

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING RWAP FACILITY. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, PLEASE SEE “RISK FACTORS - THE RWAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 46.

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 or call helpline number (+91 22 4918 6200). For details, please see “Procedure for Application through R-WAP” on page 241.

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 shall be treated as incomplete and shall be rejected. For details see “Terms of the Issue - Grounds for Technical Rejection” on page 256. 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. For details, see “Application on Plain Paper under ASBA process”. on page 248 of this Letter of Offer.

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 Circulars, 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 namely (name will be provided by us) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with ou Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/ reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copy of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. [•], to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.pacificindustriesltd.com)

In this connection, our Company has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialised form in the demat accounts of the Eligible Equity Shareholders. A separate ISIN for the Rights Entitlements has also been generated which is [•]. This ISIN of the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening day and remain active for renunciation or transfer during the Renunciation Period and shall be suspended by Depositories for transfer from the Issue Closing Date.

Application by Eligible 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 our Company or Registrar 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 the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) 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 our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a. The Eligible Equity Shareholders apply only through R-WAP;
- b. The Eligible Equity Shareholders are residents;
- c. The Eligible Equity Shareholders are not making payment from non-resident account;
- d. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- e. The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

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 or Registrar, shall be credited in a demat suspense escrow account opened by our Company. Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

4. OTHER IMPORTANT LINKS AND HELPLINE:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company:
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: pacific.rights@linkintime.co.in
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.linkintime.co.in;

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this 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 our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements (ISIN [•])

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialised form or appears in the register of members of our Company as an equity shareholder in respect of our Equity Shares held in physical form, as on the Record Date, are entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company www.pacificindustriesltd.com

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 or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited in their demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material ("Issue Materials") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see "Notice to Investors" on page 14.

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 Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right 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 filed with BSE Limited and the Letter of Offer to be filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, 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 Right 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 Forms 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 an 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 Right Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

The Rights Equity Shares are being offered at a price of ₹ [•] per Rights Equity Share (including a premium of ₹ [•] per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] fully paid-up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Separate ISIN for Right Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Right Shares for each Call, until fully paid-up. The Right Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Right Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Right Shares, such Right Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlement credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rule and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, please see “Procedure for Renunciation of Rights Entitlements” on page 246.

In accordance with R-WAP 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, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. 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 IEPPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or the Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings;.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 241.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [•]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The transfer through On Market Renunciation and Off Market Renunciation will be settled through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [•] to [•] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date. For details, please see “Procedure for Renunciation of Rights Entitlements – On Market Renunciation” and “Procedure for Renunciation of Rights Entitlements – Off Market Renunciation” on page 248. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see “Procedure for Application” on page 241.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE. Payment Schedule of Rights Equity Shares

The Issue Price of ₹ [•] per Rights Equity Share (including premium of ₹ [•] per Rights Equity Share) shall be payable at the time of application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] fully paid-up Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in the multiple of [•] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [•] Equity Shares, such Equity Shareholder will be entitled to [•] Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Ranking The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provision of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association, the provisions of the Companies

Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI 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, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [•] dated [•].

Our Company will apply to the Stock Exchanges 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 this Issue will trade after the listing thereof. The existing Equity Shares are listed and traded on BSE (Scrip Code: 523483) under the ISIN: INE883C01025. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (four) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within 4 (four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, please see the chapter titled “Capital Structure – Intention and extent of participation by our Promoter and Promoter Group” on page 54.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, the holders of Rights Equity Shares shall have the following rights on the Rights Equity Shares:

- i. The right to receive dividend, if declared;
- ii. The right to vote in person, or by proxy;
- iii. The right to receive surplus on liquidation;
- iv. The right to free transferability of Rights Equity Shares;
- v. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law
- vi. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE**Market Lot**

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

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, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant and follow the process therein.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/dispatch, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in 165 jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them

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 Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

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.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 read with FEMA Rules, 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money,

Allotment of Rights Equity Shares and issue of 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 pacific.rights@linkintime.co.in email id will be provided from RTA side. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Entitlement Letter and Application Form shall be sent/ dispatched to the nonresident 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. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP facility.

Please also note that pursuant to 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 Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at Email id will be provided by RTA.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue 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 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 the 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, please see “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 252.

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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application by Eligible Equity Shareholders on Plain Paper under ASBA process” beginning on page 248.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable, at least three days before the Issue Opening Date.

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 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 Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in. 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) from the websites of:

- (i) our Company at www.pacificindustriesltd.com;
- (ii) the Registrar at www.linkintime.co.in;
- (iii) the Lead Manager at www.srujanalpha.com;
- (iv) the Stock Exchange at www.bseindia.com;
- (v) the R-WAP facility at web-based application platform at www.linkintime.co.in (“R-WAP”).

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of (i.e., www.pacificindustriesltd.com)

The Application Form can be used by the 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 by (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 and make online payment using the internet banking or UPI facility from their own bank account thereat. **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 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 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 could lead to rejection of the Application. For details, please see “Grounds for Technical Rejection” on page 256 Our Company, the Lead Manager, 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.** For details, see “Application on Plain Paper under ASBA process” on page 248.

Options available to the Eligible Equity Shareholders

The Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

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. 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors should ensure that they have correctly submitted the Application Form, 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.

The Company, its directors, 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.

Procedure for application through R-WAP facility

Resident 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, please see “Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateway” on page 46.

Set out below is the procedure to be followed for using the R-WAP facility:

- (I) Prior to making an Application using the R-WAP facility, 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 relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Rights Issue Circulars.
 - (i) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) 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.
 - (ii) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- (iii) 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.
- (iv) The Investors who are Renouncees should select the category of ‘Renouncee’ at the application page of RWA 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.
- (v) 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.
- (vi) 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.
- (vii) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Banker(s) to the Issue.

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 (www.linkintime.co.in.) or call helpline number +91 22 4918 6200.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by (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 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 Exchanges, 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 Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the heading “*Application on Plain Paper under ASBA process*” on page 248.

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. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the heading “*Basis of Allotment*” on page 262.

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.

Pursuant to the SEBI Rights Issue Circulars, 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 dematerialized 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 dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

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 Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the 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

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 Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [•] to [•] (both days inclusive).

The 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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement 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 the Stock Exchange under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The 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 dematerialized 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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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.

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, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. 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 Exchanges, 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 RWAP FACILITY

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:

1. Name of our Company, being Pacific Industries Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total application amount paid at the rate of ₹ [•] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. 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;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at Email id ; and

16. Additionally, all such Applicants are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “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 (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. 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 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 Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted

in or to the United States at any time. I/ we understand that none of the Company, 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 has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, 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 Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("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, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

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, the 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 www.linkintime.co.in.

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.

Mode 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 RWAP.

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. 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.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

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.

For details of mode of payment in case of Application through R-WAP, please see "Procedure for Application through R-WAP" on page 244.

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in 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 or the Registrar, 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 the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email 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 email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from:
 - i. Our Company at www.pacificindustriesltd.com;
 - ii. the Registrar at www.linkintime.co.in
 - iii. the Lead Manager at www.srujanalpha.com; and
 - iv. the Stock Exchange at www.bseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., at www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.pacificindustriesltd.com)

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.

PLEASE NOTE THAT 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. 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 THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

FOR DETAILS, PLEASE SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 163.

General instructions for Investors

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you.
- (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 the Letter of Offer, the Abridged Letter of Offer, the 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" on page 248.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue 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 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 the 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 the 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 Exchanges, 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 Exchanges.
- (k) Applications should not be submitted to the Bankers to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), our Company or the Registrar or 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.

- (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 R-WAP 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 contact details 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) 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.
- (s) 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.
- (t) 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.
- (u) 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 Entitlement Letter.

Do's for Investors applying through R-WAP facility:

- (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 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 Banker(s) to the Issue (assuming that such Banker(s) to the Issue 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.

Don'ts for Investors applying through R-WAP facility:

- (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.
- (b) Sending an Application to the Lead Manager, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue 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 Forms 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:
 - (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions;
 - (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or; or
 - (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Investors that are residing outside India as per the depository records.

- (r) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds) including in relation to insufficient funds available in the opted bank account):
 - i. Applications by non-resident Investors;
 - ii. Payment from third party bank accounts

Our Company may, in consideration 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 PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), 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 SUCH INVESTOR AS ON THE RECORD DATE OR THE RIGHT SENTITLEMENTS ARE HELD BY THE INVESTOR AS ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. 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 DEPOSTORY 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 or the Company. 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 the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity

Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or 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.

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 RWAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. NR 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 and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Entitlements Letter and the Application Form shall be sent to their e-mail addresses or their Indian address, as applicable, if they have provided their Indian address to our Company. The Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. In the event that the e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company, our Company will make reasonable efforts to dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and Entitlements Letter by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

2. 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.
3. 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.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect of the same Rights Entitlements 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 dematerialized 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 SEBI and such Applications shall not be treated as multiple Applications. For details, please see “Procedure for Applications by Mutual Funds” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications shall be treated as multiple Applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters or members of Promoter Group for subscribing any unsubscribed portion of this Issue as described in “Capital Structure –Intention and extent of participation by our Promoters and Promoter Group” on page 54.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [•], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB 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 the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, “Basis of Allotment” on page 262.

Please note that on the Issue Closing Date, (i) the Applications through ASBA process will be uploaded until 5.00p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges 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 Exchanges Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number

Withdrawal of Application An Investor who has applied in 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 pacific.rights@linkintime.co.in in case of Application through R-WAP facility.

However, the Application, whether made through ASBA Process or R-WAP facility, cannot be withdrawn after the Issue Closing Date.

Issue Schedule

Issue Opening Date	[•]
Last date for On Market Renunciation*	[•]
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 Renouncee(s) on or prior to the Issue Closing Date.

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

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

Our Board or a duly authorised 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).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) 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.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- i. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

- iii. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Banker(s) to the Issue 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 Banker(s) to the Issue to refund such Applicants

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP 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 in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue

instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company requisite interest as specified under applicable law from the expiry of such 4 days' period.

In case of Applications 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).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of over subscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by 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 centres 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 Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

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.

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.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical

form/ 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.

Receipt of the Rights Equity Shares in Dematerialized Form

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 THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON 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 WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed an agreement dated 01.01.2001 with NSDL and an agreement dated 01.01.2001 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (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.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be reclassified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event

- (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations;
- (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI);
- (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and
(iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- i. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations;
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. 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 or using R-WAP (available only for residents).

Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series

of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA 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.

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 makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 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 of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 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 an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 Lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application 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 same bank account through which Application Money was received, 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 refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (1) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of this Issue referred to under (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and Satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment;

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the 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;
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants;
6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process;
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

In accordance with the proviso to Regulation 86(1) of the SEBI ICDR Regulations, the minimum subscription criteria is not applicable to the Issue as (i) the objects of the Issue involves financing other than financing of capital expenditure for a project; and (ii) the Promoters and Promoter Group of our Company have undertaken to either fully subscribe to their portion of rights entitlement or renounce their rights within the Promoter Group.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the 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.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Pacific Industries Limited - Right Issue**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Link Intime (India) Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Telephone: +91-22-49186200

E-mail: pacific.rights@linkintime.co.in

Investor grievance E-mail: pacific.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

3. 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 (*i.e.* at www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 4918 6200.

This Issue will remain open for a minimum 15 days. However, our Board or a duly authorised 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).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet press release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board ("FIPB"). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy ("**FDI Policy**") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments. FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

India's current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per Regulation 7 of the Foreign Exchange Management (Non debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue securities on rights basis to non-resident shareholders including additional securities under the rights issue. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended, issued by the RBI, non-residents

may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of 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 Allotment advice. If an NR or NRI Investor has specific approval from the RBI, in connection with their shareholding, they should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares.

The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Corporate office of our Company between 11.00 a.m. to 2.00 p.m. on any working day from the date of this Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

1. Issue Agreement dated January 20, 2022 between our Company and Srujan Alpha Capital Advisors LLP, Lead Manager to the Issue;
2. Registrar Agreement dated January 20, 2022 between our Company and Link Intime India Private Limited, Registrar to the Issue;
3. Tripartite Agreement dated January 1, 2001 between our Company, National Securities Depository Ltd. (NSDL) and Intime Spectrum Registry Private Limited (now known as Link Intime India Private Limited);
4. Tripartite Agreement dated January 1, 2001 between our Company, Central Depository Services (India) Limited (CDSL) and Intime Spectrum Registry Private Limited (now known as Link Intime India Private Limited);
5. Bankers to the Issue Agreement dated January 28, 2022 between our Company, HDFC Bank Limited, Srujan Alpha Capital Advisors LLP and Link Intime India Private Limited.

B. DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Certificate of incorporation and certificate of commencement of business of our Company dated July 13, 1989 and August 28, 1989 respectively;
3. Resolution of the Board of Directors under section 62 of Companies Act, 2013 passed in its meeting dated January 20, 2022 authorizing the Issue;
4. Resolution of the Board of Directors dated March 11, 2022 and [•] approving the Draft Letter of Offer and the Letter of Offer respectively;
5. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Banker to the Issue and Registrar to the Issue to include their names in this Letter of Offer to act in their respective capacities;

6. Annual report of our Company for the financial year ended March 31, 2021 and the limited review report of the Unaudited Financial Results for the nine months period ended December 31, 2021;
7. A statement of possible special tax benefits dated March 4, 2022 received from M/s. Ravi Sharma & Co., Chartered Accountants, regarding possible special tax benefits available to our Company and its shareholders;
8. Letter of Offer dated 16 July, 2019 pertaining to the previous Rights Issue of our Company;
9. Due Diligence Certificate dated March 4, 2022 by Srujan Alpha Capital Advisors LLP, Lead Manager to the Issue;
10. In - principle listing approval(s) dated [•] from BSE;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Offer Document are true and correct.

Name	Signature
Jagdish Prasad Agarwal Managing Director	Sd/-
Mr. Kapil Agarwal Director & Chief Financial Officer	Sd/-
Mrs. Geetadevi Agarwal Non Executive Director	Sd/-
Mr. Pradeep Kumar Jain Non Executive Independent Director	Sd/-
Mr. Vikas Misra Non Executive Independent Director	Sd/-
Mr. Vinod Choudhary Non Executive Independent Director	Sd/-
Sachin Shah Company Secretary and Compliance Officer	Sd/-

Place : Udaipur

Date : March 11, 2022