



SPRAYKING AGRO EQUIPMENT LIMITED

Our Company was incorporated as “Sprayking Agro Equipment Private Limited” under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad and consequently a certificate of incorporation dated February 17, 2005 was issued to our Company. The status of our Company was changed to a public limited company and the name of our Company was changed to “Sprayking Agro Equipment Limited” by a special resolution passed on March 01, 2016. A fresh Certificate of Incorporation consequent upon conversion was issued on March 04, 2016 by the Registrar of Companies, Ahmedabad.

Registered Office: Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared Jamnagar – 361005, Gujarat.
Tel No.: +91-9328377772, 9328427772; **Email:** spraykingagro@yahoo.com; **Website:** www.spraykingagro.com
Contact Person: Hetal Vachhani, Company Secretary & Compliance Officer
Corporate Identification Number: L29219GJ2005PLC045508

PROMOTERS OF OUR COMPANY: PRAGJIBHAI MEGHJIBHAI PATEL, HITESH PRAGAJIBHAI DUDHAGARA AND RONAK HITESH DUDHAGARA FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

ISSUE OF UP TO 31,72,769 EQUITY SHARES OF FACE VALUE OF ₹10.00/- (‘ RIGHTS EQUITY SHARES’) OF SPRAYKING AGRO EQUIPMENT LIMITED (“SAEL” OR THE COMPANY OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 44/- (RUPEES FORTY FOUR ONLY) PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ 34/- (RUPEES THIRTY FOUR ONLY) PER RIGHT SHARE) (‘ISSUE PRICE’) FOR AN AMOUNT UP TO ₹ 1396.02 LAKHS/- ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS IN THE RATIO OF ONE RIGHT SHARES FOR EVERY ONE EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, FEBRUARY 02, 2023 (‘RECORD DATE’) (‘ISSUE’). THE ISSUE PRICE IS 4.4 TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED ‘TERMS OF THE ISSUE’ BEGINNING ON PAGE 131 OF THIS LOF.

*Assuming full subscription

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, or Directors are or have been categorized as wilful defaulters and/ or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and/ or fraudulent borrowers issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involves 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 this Issue including the risks involved. The Right Shares have not been recommended or approved by Securities and Exchange Board of India (‘SEBI’) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer ‘Risk Factors’ beginning on page 18 of this Letter of Offer before investing in the Issue.

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 and traded on the SME Platform of BSE Limited. Our Company has received in-principle approval from BSE for listing of the Right Shares pursuant to letter dated January 03, 2023. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited. Our Company will also make an application to BSE to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Ground Floor
Alkesh Dinesh Modi Marg
Fort, Mumbai - 400 001
Tel No.: +91 22 6216 6909
Fax No.: +91 22 2263 0434
Email: info@afsl.co.in
Website: www.afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Varsha Gandhi
SEBI Registration No. INM000011344
Validity of Registration: Permanent

BIGSHARE SERVICES PRIVATE LIMITED
Office No. S6-2, 6th floor Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093
Tel No.: +91 22 6263 8200
Fax No.: +91 22 6263 8299
Email: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Vijay Surana
SEBI Registration No.: INR000001385
Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENING DATE *	LAST DATE FOR MARKET RENUNCIATION	ISSUE CLOSING DATE**
MONDAY, FEBRUARY 13, 2023	TUESDAY, FEBRUARY 14, 2023	MONDAY, FEBRUARY 20, 2023

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

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of application shall be permitted by any Applicant after the Issue Closing Date.

This page has been intentionally left blank

Index

SECTION I - GENERAL	1
DEFINITIONS AND ABBREVIATIONS	1
NOTICE TO INVESTORS	9
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION	11
FORWARD-LOOKING STATEMENTS	13
SECTION II – SUMMARY OF THE LETTER OF OFFER.....	15
SECTION III- RISK FACTORS	18
SECTION IV – INTRODUCTION.....	32
THE ISSUE.....	32
GENERAL INFORMATION	34
CAPITAL STRUCTURE.....	39
SECTION V – PARTICULARS OF THE ISSUE	42
OBJECTS OF THE ISSUE	42
STATEMENT OF TAX BENEFITS	46
SECTION VI – ABOUT THE COMPANY	50
INDUSTRY OVERVIEW	50
OUR BUSINESS.....	56
OUR MANAGEMENT.....	62
SECTION VII – FINANCIAL INFORMATION.....	66
FINANCIAL STATEMENTS.....	66
STATEMENT OF ACCOUNTING RATIOS.....	114
STATEMENT OF MATERIAL DEVELOPMENTS AFTER MARCH 31, 2022	115
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	116
SECTION VIII – OTHER INFORMATION	122
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	122
GOVERNMENT AND OTHER APPROVALS	124
OTHER REGULATORY AND STATUTORY DISCLOSURES	125
SECTION IX – ISSUE RELATED INFORMATION	131
TERMS OF THE ISSUE.....	131
PROCEDURE FOR APPLICATION	141
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	164
SECTION X – OTHER INFORMATION	165
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	166
DECLARATION	168



SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, which should be considered whilst reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

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

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled 'Industry Overview', 'Statement of Tax Benefits', 'Financial Information', 'Outstanding Litigations and Material Developments' and 'Terms of the Issue' on page 50, 46, 66, 122 and 131 respectively, shall have the meaning given to such terms in such sections.

Conventional / General Terms

Term	Description
Sprayking Agro Equipment Limited / The Company / We / Us / Our Company	Sprayking Agro Equipment Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared Jamnagar – 361005, Gujarat.
₹ /Rs. /Rupees /INR	Indian Rupees.

Company related Terms

Term	Description
ASBA	Application Supported by Blocked Amount.
AY	Assessment Year.
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Sprayking Agro Equipment Limited
Auditor of the Company (Statutory Auditor/Peer Review Auditor)	Statutory and peer review auditor of our Company, namely, M/s DGMS & CO, Chartered Accountants
Board of Directors / Board	The Board of Directors of Sprayking Agro Equipment Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended
Company Secretary and Compliance Officer	Ms. Hetal Vachhani
Director(s)	Director(s) of Sprayking Agro Equipment Limited, unless otherwise specified.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act.
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Sprayking Agro Equipment Limited as on the Record Date
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10 each unless otherwise



Term	Description
	specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company.
ISIN	International Securities Identification Number being INE537U01011
Key Management Personnel / KMP	Individuals described in the chapter titled “ <i>Our Management</i> ” on page no. 62 of this Letter of Offer.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sprayking Agro Equipment Limited
Promoter(s)	The Promoters of our Company: <ul style="list-style-type: none"> • Hitesh Pragajibhai Dudhagara • Pragajibhai Meghajibhai Patel • Ronak Hitesh Dudhagara
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited under the SEBI (LODR) Regulations;.
Registered Office	Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared Jamnagar – 361005, Gujarat.
Registrar of Companies / RoC	Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Naranpura Ahmedabad -380013, India
Stock Exchange Designated Stock Exchange/ BSE	Unless the context requires otherwise, refers to, SME Platform of BSE.

Issue Related Terms

Term	Description
“Abridged Letter of Offer” or “ALOF”	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Allot/Allotment/Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue; Allot/Allotment/Allotted
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons who are Allotted Right Shares are issued pursuant to the Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Common Application Form	Unless the context otherwise requires, a Common application form (through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Right 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 (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.



Term	Description
ASBA Account	A bank account maintained with an SCSBs and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouces) shall make an application for an Issue only through ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations
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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no. 34 of this Letter of Offer.
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank, Allotment Bank and the Refund Bank to the Issue in this case being ICICI Bank Limited.
Bankers to the Issue Agreement	Agreement dated January 09, 2023 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company 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 Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ‘Terms of the Issue’ beginning on page 131 of this LoF.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depositories	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated Stock Exchange	BSE Limited
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Draft Letter of Offer/ DLoF	The draft letter of offer dated November 24, 2022, filed with BSE, in accordance with the SEBI (ICDR) Regulations, for their observations.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., February 02, 2023. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” on page 9 of this Letter of Offer.
Escrow Account(s)	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 ASBA facility
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited.
Issue/ Rights Issue	Issue of up to 31,72,769 Equity Shares of face value of ₹ 10 each (“Rights Equity



Term	Description
	Shares”) of our Company for cash at a price of ₹ 44 (Rupees Forty Four Only) per Right Shares (including a share premium of ₹ 34) aggregating upto ₹1396.02 Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of 1 (One) Right Equity Shares for every 1 (One) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. February 02, 2023.
Issue Agreement	Agreement dated November 24, 2022 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the issue.
Issue Closing date	February 20, 2023 (Monday)
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter.
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Opening date	February 13, 2023 (Monday)
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations
Issue Price	₹ 44 /-per Rights Equity Share including a share premium of ₹ 34 per Rights Equity Share.
Issue Size	The issue of up to 31,72,769 Rights Equity Shares for cash at a price of ₹44 per Rights Equity Share(including a premium of ₹ 34 per Rights Equity Shares) aggregating up to ₹1396.02.*Assuming full subscription
Lead Manager to the Issue	Aryaman Financial Services Limited.
Letter of Offer/ LoF	This letter of offer Dated January 27, 2023 prepared in connection with the Issue.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ‘Objects of the Issue’ beginning on page 42 of this LoF.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI (ICDR) Regulations.
Offer Document	The Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum 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 renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Tuesday February 14, 2023.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being February 02, 2023.
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar	Bigshare Services Private Limited.
Registrar Agreement	Agreement dated November 24, 2022 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.



Term	Description
Renounees	Any persons who have acquired Rights Entitlements from the 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 i.e. Tuesday February 14, 2023. Such period shall close on Monday February 20, 2023 in case of On Market Renunciation. Eligible 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 Renounee on or prior to the Issue Closing Date i.e. Monday February 20, 2023 .
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders.
RE ISIN	ISIN for Rights Entitlement i.e. INE537U20011
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time,
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the BSE.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;



Technical / Industry Related Terms

Term	Description
CAGR	Compound Annual Growth Rate
IMF	International Monetary Fund
GDP	Gross Domestic Product
MoU	Memorandum of Understanding
INR	Indian rupees
RBI	Reserve Bank of India
AI Def	AI in Defence
AI	Artificial Intelligence
FTAs	Free Trade Agreements
CEPA	India-UAE Comprehensive Partnership Agreement
IndAus ECTA	India-Australia Economic Cooperation and Trade Agreement
USD	United States Dollar

Conventional Terms / General Terms / Abbreviations

Term	Description
ADR	American Depository Receipt.
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.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange of India
CAF	Common Application Form.
CDSL	Central Depository Services(India) Limited.
CFO	Chief Financial Officer;
CIN	Corporate Identification Number.
CIT	Commissioner of Income Tax.
CLRA	Contract Labour (Regulation and Abolition) Act,1970.
CompaniesAct,2013	Companies Act, 2013 along with rules made thereunder.
Companies Act,1956	Companies Act,1956, and the rules thereunder (without reference to the provisions There of that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.
Depositories Act	The Depositories Act, 1996.
DIN	Director Identification Number.
DP	Depository Participant.
DP-ID	Depository Participant's Identification.
DR	Depository Receipts.
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss.
EGM	Extraordinary General Meeting.
EEA	European Economic Area.
EPC Services	Engineering, Procurement, and Construction services.
EPS	Earning per Equity Share.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made there under.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board.



FPIs	Foreign Portfolio Investors.
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 (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
FY/Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GDR	Global Depository Receipt.
GNPA	Gross Net Performing Assets.
GoI/Government	The Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
IndAS	Indian Accounting Standards.
ICAI	The Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IFRS	International Financial Reporting Standards.
Indian GAAP/I-GAAP	Generally Accepted Accounting Principles In India.
Income Tax Act/ITAct	The Income Tax Act, 1961 and amendments thereto.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended.
INR / ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IST	Indian Standard Time.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, GoI.
Mn / mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI.
NRE	Account Non-resident external account.
NRI	Non-resident Indian.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Body.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
PAT	Profit after Tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
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.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.



SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.
STT	Securities transaction tax.
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto.
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.



NOTICE TO INVESTORS

The distribution of this Letter of Offer, Abridged Letter of Offer, Common Application Form and Rights Entitlement Letter (“**Issue Materials**”) and the Issue of Rights Entitlements or the Right Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Issue Material through email and registered post/speed post to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Letter of Offer will be provided, through email and registered post/speed post, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, and the Stock Exchange. Those overseas shareholders, who have not updated 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 the Issue Materials.

In case the Eligible Equity Shareholders have provided their valid e-mail address registered with the depositories/ Company, 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. 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, except that the Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Right Shares may not be offered or sold, directly or indirectly, and Issue materials or any offering materials or advertisements in connection with this Issue may not be distributed in any jurisdiction, except in accordance with the 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 such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Materials should not, in connection with the Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the 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 Right Shares referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any Application Form as invalid 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 Right Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THE ISSUE MATERIALS 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 THE OFFER OF RIGHT ENTITLEMENTS OR RIGHT SHARES. 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 THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES REGARDING THE LEGALITY OF AN INVESTMENT



IN THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES 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 SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIAL SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Neither our Company nor any person acting on our behalf 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 our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing a Common Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

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

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

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON TO WHOM IT IS ADDRESSED FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.



CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

In this Letter of Offer (“LoF”), unless otherwise indicated or the context otherwise requires, all references to ‘US\$’, ‘\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America, and references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise, the financial data in this LoF is derived from the Audited Financial Statement and for the Financial Year ending March 31, 2022 and Financial Year ending March 31, 2021 and the Limited Review Unaudited Financial Statements for the Half Year Ended September 30, 2022 and Half Year Ended September 30, 2021 which have been prepared in accordance with Indian GAAP and provisions of Companies Act, 2013. For further details, please refer to the section titled ‘Financial Information’ beginning on page 75 of this LoF.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

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.

Currency of Presentation

All references in this Letter of Offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees, the official currency of the Republic of India.

All references to ‘U.S. \$’, ‘U.S. Dollar’, ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

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

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lakhs.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Letter of Offer has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



Conversion Rates of Foreign Currency:

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



FORWARD-LOOKING STATEMENTS

We have included statements in this LoF which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward - looking statements

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
2. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
3. Changes in laws and regulations relating to the sectors and industry in which we operate;
4. Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
5. The effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
6. Realization of contingent liabilities;
7. Occurrence of environmental problems and uninsured losses;
8. Increased competition in industries and sector in which we operate;
9. Factors affecting the industry in which we operate;
10. Our ability to meet our capital expenditure requirements;
11. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
12. Fluctuations in operating costs;
13. Our ability to attract and retain qualified personnel;
14. Our failure to keep pace with rapid changes in technology;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Other factors beyond our control;



-
19. Our ability to manage risks that arise from these factors;
 20. Changes in Government policies and Regulatory actions that apply to or affect our business;
 21. Conflicts of interest with affiliated companies, the promoter group and other related parties;
 22. The performance of the financial markets in India and globally; and
 23. We are affected by volatility in interest rates, adversely affecting our net interest income;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled 'Risk Factors' beginning on page 18 of this LoF. By their nature, certain market risk disclosures are only estimates and could materially be different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and stock exchange requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.



SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this 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*', '*Objects of the Issue*', '*Industry Overview*', '*Our Business*' and '*Outstanding Litigations and Material Developments*' and '*Terms of the Issue*' beginning on pages 18,42,50,56,122 and 131 of this Letter of Offer, respectively.

1. Summary of Industry

The increased rate of plumbing and architectural activities carried out in the ever-expanding construction sector is the driving factor for the brass rod market growth. Also, an increase is being experienced in the popularity of brass rods in marine constructions on account of their corrosion-free properties. A hike in the alloy usages as the need for more strength in construction industries is flourishing, these facets are expected to push the global brass rods market growth.

For further details, please refer to the chapter titled '*Industry Overview*' beginning on page 50 of this Letter of Offer.

2. Summary of primary Business

Our Company is in the business of manufacturing and trading of agricultural sprayer parts & garden fittings, ball valves & NRV'S, turning components, brass pipe & plumbing fittings, sanitary fittings, brass compression fittings, extruded brass rods, brass fittings & lead free brass fittings and forging specialty. Our manufacturing unit is located in Jamnagar. In our trading business, based on the orders received from our customers, we order the exact requirement from our suppliers and make the final product available to our customers

For further details, please refer to the chapter titled '*Our Business*' beginning on page 56 of this Letter of Offer.

3. Our Promoters

The Promoters of our Company are Hitesh Pragajibhai Dudhagara, Pragajibhai Meghajibhai Patel and Ronak Hitesh Dudhagara

4. Intention and Extension of Participation by our Promoters

Pursuant to the letter dated November 14, 2022, our Promoter and Promoter group, has undertaken that:

- a) they would not subscribe to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and
- b) they may renounce their rights entitlement.
- c) Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars and subscribe to unsubscribed portion of the Issue, if any.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST 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 under the Applicable Law.



5. Objects Of The Issue

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2023
1.	Working Capital Requirements	1,065.92	1,065.92
2.	Funding expenditure for General Corporate Purposes	305.10	305.10
	Total Net Proceeds*	1,375.00	1,375.00

* assuming full subscription and Allotment;

For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page 42 of this Letter of Offer.

6. Financial Information

The following table sets forth the summary financial information derived from the Limited Reviewed Unaudited Financial Statement for the half year ended September 30, 2022 and Audited Financial Statements for the Financial Years ending March 31 2022 and March 31, 2021:

(₹. In Lakhs)

Particulars	For Half Year ended	For the Financial Year ending March 31	
	September 30, 2022*	2022	2021
Equity Share Capital	317.28	317.28	317.28
Net Worth	919.40	910.73	874.96
Total Income	609.91	1599.52	2050.39
Profit/(loss) after tax	8.67	34.68	62.04
Basic and diluted EPS(in ₹)	0.27	1.09	1.96
Net asset value per Equity Share (in ₹)	28.98	28.70	27.58
Total borrowings	139.59	-	36.32

* Quarterly, Unaudited, reviewed.

For further details, please refer to the chapter titled 'Financial Information' beginning on page 66 of this Letter of Offer.

7. Summary of Outstanding Litigations

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

a. Litigations involving our Company

i. Cases filed against our Company:

Nature of Litigation	Number of cases	Amount involved (in Lakhs)*
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Tax Proceedings (Indirect Tax)	1	1,155.62
Proceedings involving material violations of statutory regulations by our Company	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations above the materiality threshold	Nil	Nil

*To the extent quantifiable

ii. Cases filed by our Company:



Nature of Litigation	Number of cases	Amount involved (in Lakhs)
Criminal matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

For further details, please refer to section titled 'Outstanding Litigation and Material Developments' beginning on page 122 of this Letter of Offer.

8. Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled 'Risk Factors' beginning on page 18 of this Letter of Offer.

9. Contingent Liabilities

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled 'Financial Statements' beginning on page 66 of this Letter of Offer.

10. Related Party Transactions

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled 'Financial Statements' beginning on page 66 of this Letter of Offer.

11. Issue Of Equity Shares Made In Last One Year For Consideration Other Than Cash

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

12. Split Or Consolidation Of Equity Shares In The Last One Year

Our Company has not carried out any corporate action to split or consolidate its equity shares in during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.



SECTION III- RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this LoF, including in 'Our Business', 'Industry Overview', and 'Financial Statements' beginning on pages 56, 50 and 66 respectively in this LoF, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This LoF also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this LoF.

Unless specified or quantified in the relevant risk factors below, we are not able to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to 'we', 'us', 'our' refers to our Company.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively; and
3. Some events may not be material at present but may have a material impact in future

INTERNAL RISK FACTORS

1. ***There are outstanding litigation involving our Company which, if determined adversely, may affect their business and operations and our reputation.***

As on the date of this Letter of Offer, our Company is involved in certain legal proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse outcome of the litigations may adversely affect our business, results of operations and financial condition.

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

a. Litigations involving our Company

- i. Cases filed against our Company:

Nature of Litigation	Number of cases	Amount involved (in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil



Tax Proceedings (Indirect Tax)	1	1,155.62
Proceedings involving material violations of statutory regulations by our Company	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations above the materiality threshold	Nil	Nil

ii. Cases filed by our Company:

Nature of Litigation	Number of cases	Amount involved* (in Lakhs)
Criminal matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

2. We currently have low operating margins.

Our business is a high volume and low margin business. Our inability to maintain consistent growth in turnover with high business processes operating efficiency could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our business processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non-core activities. Our different operating margin parameters are as follows:

(₹ in lakhs)

Parameter	September 30, 2022	FY 2022	FY 2021	FY 2020
Total Income	609.91	1599.52	2050.39	2649.12
PBT as a % of Total Income	3.18%	2.94%	4.72%	0.17%
PAT as a % of Total Income	1.42%	2.17%	3.03%	0.11%

As part of our growth strategy, we aim to improve our functional efficiency and enhance our business operations. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to implement our strategies or growth plans or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

3. Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations.

The principal raw materials used in our manufacturing process are Brass Scrap, Copper Scrap and Zinc Scrap. We do not have long term agreements with any of our raw material or inputs suppliers and we purchase such raw materials and inputs on spot order basis. The prices of the raw material could fluctuate depending upon their availability and demand. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability. Further, raw material supply and pricing may be volatile due to number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labor costs, labor unrest, natural disasters, competition, and there are inherent uncertainties. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

Further, there may be volatility in prices of our raw material and if we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows. Additionally, we may not be able to pass on every instance of increase in input cost and may have to pursue internal cost control measures.



4. ***We operate in an unorganized industry and face significant competition. Our inability to compete effectively, market our products relative to our competitors may lead to lower market share, and adversely affect our operations and profitability.***

Our Company operates in highly competitive markets and faces competition; however it is not possible to compute the present market share of our Company since the Brass Industry is largely an unorganized industry and there are no reliable source / report which carry this data on market share. Further, the competition in these markets is based primarily on demand creation and as a result, to remain competitive in our markets, we must continuously strive to effectively market our products. In each of our markets, we face competition primarily from the unorganized market. In the event of price competition from our competitors, we may be required to reduce the price of our products while maintaining quality standards and our Company may not always be able to do so. Some of our competitors may have greater financial resources, generate higher revenues, and therefore, be able to better respond to market changes and shifts in consumer spending patterns and changes in consumer sentiments and tastes.

They also may be in a better position than us to sustain losses in revenue due to pricing pressures. Accordingly, we cannot be certain that we will be able to compete effectively with these competitors or that we will not lose customers to these competitors. If we are not able to compete effectively, our business, results of operations and financial condition could be adversely affected.

5. ***We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.***

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled “Government and Other Approvals” beginning on page 124 of this Letter of Offer. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

6. ***Our products are being manufactured from our sole manufacturing facility located in the Jamnagar. Any disruption or suspension in the production process in this facility can impact our ability to service customer needs.***

We manufacture our products from our sole manufacturing facility in Jamnagar at Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared, Jamnagar – 361005, Gujarat which caters to demand of our products. Any disruption at our manufacturing unit due to supply of power outages, fire or industrial accidents could hamper or delay our ability to start or continue our manufacturing process. Any disruption or suspension in the manufacturing process in this facility can impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

7. ***The continuing effect of the COVID-19 pandemic on our business, results of operations, operations and financial condition is highly uncertain and cannot be predicted.***

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID- 19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.



Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks. We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

8. *Substantial portion of our revenues have been dependent upon few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.*

Our substantial portion of our revenues has been dependent upon few clients. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as changes in government policies and bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

9. *Our trademark  is not registered under the Trade Marks Act and our ability to use the trademark may be impaired*

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. If our trademark is not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

10. *Our insurance policies do not cover all risks. In the event of the occurrence of events, our insurance coverage may not adequately protect us against possible risk of loss*

Our insurance policies consist of, among others, standard fire and special perils, earthquake, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect / liability risk, loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

11. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business



In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

12. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

13. We are dependent on third party transportation providers for the delivery of our products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.

We use third party transportation providers for the delivery of our products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India, have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

14. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.

The Company has been handling labour and related issues efficiently and this has contributed to the smooth functioning of the operations. The Company is conscious about the need for introducing more automation in the operations. Labour intensive operations call for good monitoring and maintenance of relations. Non-availability of laborers and/or any dispute between the labour and management may affect the business operation of the Company.

15. Our Company has reported certain negative cash flows from its operating and investing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.

Our Company had reported certain negative cash flows from its operating, investing and financing activities for the period ended March 31, 2022, March 31, 2021 and Limited Reviewed Unaudited Financials for Half Year ended on September 30, 2022 as per the financial statements and the same is summarized as under:

(₹ in lakhs)

Particulars	Half year ended	For the period ended	
	September 30, 2022*	March, 2022	March 31, 2021



Cash flow from Operating Activities	(159.26)	94.69	63.60
Cash flow from Investing Activities	(17.25)	(20.77)	377.72
Cash flow from Financing Activities	138.19	(36.32)	(441.93)

* Quarterly, Unaudited, reviewed.

For details, please refer “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company*” on page no. 116 of this Letter of Offer.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

16. Our registered office is not owned by us.

Our registered office is situated at Plot No 237/B, Shop No. 4, GIDC, Phase II, Dared Jamnagar -361005, Gujarat, which is taken on lease from Parvatiben Pragajibhai Dudhagara. There can be no assurance that we will be able to continue to occupy the said premises in the future on commercially acceptable terms. If any of these lease or license agreements is terminated for any reason or not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition and results of operations. For further details please refer to Chapter titled “Business Overview” beginning on page no. 56 of this Letter of Offer.

17. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.

Quality control is vital element for our sector. Any rapid change in our customers’ expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

18. Our Manufacturing business is dependent on our operating facility. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations.

Our facilities are at Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared, Jamnagar – 361005, Gujarat, and are subject to operating risks, such as shutdowns due to the breakdown of power supply or processes, performance below expected levels of output or efficiency, labour disputes, strikes, lockouts, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India (“GoI”) and relevant state government authorities. We are heavily reliant on our workers at unit. Our inability to continue to procure their services or any disputes with them could severely affect our operations and may cause under-utilisation of our capacities. Our operations involve a significant degree of integration, and our results of operations are dependent on the successful operation of facility. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at our facilities.

19. We constantly face a credit risk which may in turn affect our complete cycle adversely. Also, any customer dispute regarding our performance may amount in delay or withholding of payment to us.

Our business cycle is heavily dependent on timely payments being received from our customers. In case that our products are not delivered on timely basis and/or the quality of the products does not fulfill the requirements of our customer, it may lead to dissatisfaction. Further it may lead to consequence of customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in materially affecting our business.



In case of such default in payment/ unforeseeable delay in payment from any of our customers our working capital cycle will be adversely affected. This may lead to lack of competitive advantage against various other transporters leading to an adverse effect on our business operations and profitability.

- 20. *The deployment of the Net Proceeds from the Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue.***

Our Company intends to primarily use the Net Proceeds from the Issue towards working capital as described in "Objects of the Issue" on page no.42 of this Letter of Offer. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

- 21. *As the Equity Shares of our Company are listed on the BSE SME, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE SME, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

- 22. *We have not commissioned an industry report for the disclosures made in the section 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 section titled "Industry Overview" beginning on page 50 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



23. *Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives. All such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer "*Financial Statements – Related Party Transactions*" on page no.66 of this Letter of Offer.

24. *Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.*

Our Company is depending significantly on the expertise, experience, and continued efforts of our Key Managerial Personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled "*Our Management*" beginning on page no.62 of this Letter of Offer.

25. *In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

26. *Our Promoters and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.*

Our Promoters and Promoter Group may own significant percentage of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.



27. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.*

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

28. *If our current or future employees were to unionize or our labour costs were to increase, our results of operations may be adversely affected.*

None of our employees is currently represented by a collective bargaining agreement and we believe that our non-unionized operations have advantages over unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility.

However, we cannot assure you that our current or future employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. The unionization of our employees could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, cause customers to limit their use of our services due to the increased potential for strikes or other work stoppages and result in increased expenditures in connection with the collective bargaining process, any of which could have a material adverse effect on our business, financial condition and results of operations.

Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

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

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

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

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

31. *Our ability to remain competitive may be adversely affected by rapid technological changes and our ability to access such technology.*

Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipments and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in



upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

- 32. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “Objects of the Issue” on page no 42 of the Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

ISSUE SPECIFIC RISK

- 33. *SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 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, January 19, 2021, April 22, 2021, and October 01, 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” on page 131 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.

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

- 35. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***



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 Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the 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 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.

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

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

37. *Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

38. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.*

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

39. *We may decide not to proceed with this Issue at any time before Allotment. If we decide not to proceed with the Issue after the Issue Opening Date but before Allotment, the refund of Application amounts deposited will be subject to us complying with our obligations under applicable laws.*

The Company, in consultation with the Lead Manager, reserves the right not to proceed with this Issue at any time before the Allotment. If we withdraw the Issue after the Issue Opening Date, we will be required to refund all Application amounts deposited within 4 days of the Issue Closing Date. We shall be required to pay interest at the rate of 15% per annum on the Application amounts received if refund orders are not dispatched within 4 days from the Issue Closing Date. Notwithstanding the foregoing, the Issue is also



subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment and (ii) the final RoC approval.

40. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

41. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. 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 will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

EXTERNAL RISK FACTORS

42. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.*

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

43. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.



44. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

45. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

46. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

Any adverse revisions to India's debt ratings by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

48. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, there had been a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the



Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.



SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 17, 2022, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in 'Terms of the Issue' on page 131 of this LoF.

Right Shares proposed to be Issued in this Issue	Upto 31,72,769 Right Shares.
Rights Entitlement for Equity Shares	Upto 1 (One) Rights Shares for every 1 (One) Equity Shares held on the Record Date i.e. February 02, 2023.
Record Date	February 02, 2023.
Fractional Entitlement	The Right Equity Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 1 Right Shares for every 1 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each.
Issue Price per Equity Share	₹ 44/- (Rupees Forty Four Only) including a premium of ₹ 34/- (Rupees Thirty Four Rupees Only) per Rights Equity Share.
Issue Size	Upto ₹ 1396.02 Lakhs/-
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
Equity Shares outstanding prior to the Issue	31,72,769
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	63,45,538
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning On page 131 of this LoF.
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning On page 42 of this LoF.
Security Code/ Scrip Details	ISIN: INE537U01011; BSE Scrip Code: 540079 BSE Scrip ID: SPRAYKING; ISIN for Rights Entitlements: INE537U20011

For details in relation to fractional entitlements, see "*Terms of the Issue-Fractional Entitlements*" beginning on page 131 of this Letter of Offer.

TERMS OF PAYMENT

Amount payable per Right Share	Face Value	Premium	Total
On Application	₹10.00/-	₹ 34	₹ 44

Issue Schedule

Issue Opening Date	Monday February 13, 2023
Last date for On Market Renunciation of Rights**	Tuesday February 14, 2023
Issue Closing Date*	Monday February 20, 2023

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



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



GENERAL INFORMATION

Our Company was incorporated as “*Sprayking Agro Equipment Private Limited*” under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad and consequently a certificate of incorporation dated February 17, 2005 was issued to our Company. The status of our Company was changed to a public limited company and the name of our Company was changed to “*Sprayking Agro Equipment Limited*” by a special resolution passed on March 01, 2016. A fresh Certificate of Incorporation consequent upon conversion was issued on March 04, 2016 by the Registrar of Companies, Ahmedabad.

The Corporate Identity Number of our Company is L29219GJ2005PLC045508.

Registered Office of our Company

Sprayking Agro Equipment Limited

Plot no. 237/b, Shop No. 4, GIDC, Phase II,

Dared, Jamnagar – 361005, Gujarat

Telephone: +91-9328377772, 9328427772

Fax No: NA

Email: spraykingagro@yahoo.com

Website: www.spraykingagro.com

Registration Number: 045508

Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad at Gujarat, which is situated at the following address:

Registrar of Companies, Ahmedabad

ROC Bhavan, Opp Rupal Park Society

Behind Ankur Bus Stop, Naranpura

Ahmedabad -380013, India

Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	Address	DIN
Hitesh Pragajibhai Dudhagara	Chairman and Managing Director	Gangotri, Raghuvir Society, Janta Fatak, Street no. 2, Indira road, Dangarvada, Udyognagar, Jamnagar - 361004	00414604
Pragjibhai Meghjibhai Patel	Whole-time Director	Raghuvir Society, Street no. 3, opp fayar brigid, Dangarvada, Digvijay Plot Kalavad, Jamnagar - 361005	00414510
Ronak Hitesh Dudhagara	Executive Director	Gangotri, Raghuvir Society, Janta Fatak, Street no. 2, Indira road, Dangarvada, Jamnagar - 361004	05238631
Sandip Bhaskerrai Pandya	Additional Non-Executive Independent Director	Block-c/8, Jai Bhagwan apartment, Behind Krushna Nagar, opp. Indraprash Society, Udyognagar, Jamnagar-361004.	06783003
Kaushik K Dudhagara	Non-Executive Independent Director	Shyamnagar street no. 8, near haria College, Udyognagar, Jamnagar- 361004	08243377



For further details of our Board of Directors, please refer to the section titled 'Our Management' beginning on page 62 of this Letter of Offer.

CHIEF FINANCIAL OFFICER

Hiren Patoriya is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Plot no. 237/b, Shop No. 4, GIDC, Phase II,
Dared, Jamnagar – 361005, Gujarat.

Telephone: +91 9727573318

Email: spraykingagro@yahoo.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Hetal Vachhani, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

Plot no. 237/b, Shop No. 4, GIDC, Phase II,
Dared, Jamnagar – 361005, Gujarat.

Telephone: +91 9727573318

Email: spraykingagro@yahoo.com

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

LEAD MANAGER TO THE ISSUE

Aryaman Financial Services Limited

60, Khatau Building, Ground Floor,

Alkesh Dinesh Modi Marg

Opp. P.J. Tower (BSE Building),

Fort, Mumbai - 400 001

Telephone: +91 22 6216 6909

Fax No.: +91 22 2263 0434

Email: Info@afsl.co.in

Website: www.afsl.co.in

Investor Grievance Email: feedback@afsl.co.in

SEBI Registration No.: INM000011344

Validity: Permanent

Contact Person: Varsha Gandhi

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park,

Mahakali Caves Road, Next to Ahura Centre

Andheri (East), Mumbai - 400093

Telephone: 022 -62638200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

SEBI Registration No.: INR000001385

Validity: Permanent

Contact Person: Vijay Surana

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 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), ASBA Account number and the



Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) For details on the ASBA process, see section titled “Terms of the Issue” beginning on page 131 of this Letter of Offer.

LEGAL ADVISOR TO THE ISSUE

M/S. ABDUS SAMEE ABDUL QADIR MANIYAR (A. A. MANIYAR) (ADVOCATE)

Office No. 2-A, Ground Floor,
Ali Chambers, Tamarind Street,
Fort, Mumbai 400 001

Tel No.: +91 – 22 - 2265 5505

Email: advaamaniyar@gmail.com

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/s. DGMS & Co., Chartered Accountants

Office No. 10, Vihang Vihar, Opp. Gautam Park Building,
Panchpakhadi, Thane West, Thane – 400 602

Telephone: + 91 – 98242 31214

Email: dgmsco.jam@gmail.com

Contact Person: Shashank Doshi

Membership No: 108456

Firm Registration No: 0112187W

Peer Review Certificate No: 010830

BANKERS TO THE ISSUE/REFUND BANK

ICICI Bank Limited

Capital Market Division, 1st floor, 122, Mistry Bhavan,
Dinshaw Vachcha Road, Backbay Reclamation, Churchgate,
Mumbai – 400 020, Maharashtra, India.

Telephone: +91 22 66818911/ 923/924

Facsimile: +91 22 2261 1138

Email: sagar.welekar@icicibank.com / ipocmg@icicibank.com ;

Website: www.icicibank.com

Contact Person: Sagar Welekar

SEBI Registration Number: INBI00000004

DESIGNATED INTERMEDIARIES

Self certified Syndicate Banks

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on [at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time.. For details on designated branches of SCSBs collecting the ASBA Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

INTER – SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

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.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

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

UNDERWRITING

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

MINIMUM SUBSCRIPTION

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “Terms of the Issue” on page 131 of this Letter of Offer.

FILING

SEBI vide its Amendment regulations i.e. SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, 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 will not be filed with SEBI.

ISSUE SCHEDULE

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

Last Date for credit of Rights Entitlements	Friday February 17, 2023
Issue Opening Date	Monday February 13, 2023
Last Date for On Market Renunciation of Rights Entitlements#	Tuesday February 14, 2023
Issue Closing Date*	Monday February 20, 2023
Finalization of Basis of Allotment (on or about)	Tuesday February 28, 2023
Date of Allotment (on or about)	Tuesday February 28, 2023
Date of credit (on or about)	Wednesday March 01, 2023
Date of listing (on or about)	Thursday March 02, 2023

Note:

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

*Our Board 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 Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account



details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Monday February 20, 2023 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 1 (One) day before the Issue Closing Date, i.e., Monday February 20, 2023.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 131 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '*Terms of the Issue*' beginning on page 131 of this Letter of Offer.

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



CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is set forth below:

(₹ in Lakhs, except the shares data)

Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
Authorised Share Capital		
16,00,00,000 Equity Shares of face value of ₹10 each	1,600.00	-
Issued, Subscribed and Paid-up Share Capital before the Issue		
31,72,769 Equity Shares of face value of ₹10 each	317.28	-
Present Issue in terms of this Letter of Offer^{(a)(b)}		
31,72,769 Issue of Equity Shares, of face value of ₹10 each at a premium of ₹34/- (Rupees Thirty Four Only) per Equity Share, at an Issue Price of ₹ 44 /-(Rupees Forty Four Only) per Equity Share	317.28	1396.02
Issued, subscribed and paid-up Equity Share capital after the Issue		
63,45,538 Equity Shares of face value ₹10 each	634.55	
Subscribed and paid-up Equity Share capital		
63,45,538 Equity Shares of face value ₹10 each	634.55	
Securities premium account		
Before the Issue	399.20/-	
After the Issue ^(c)	1477.94 /-	

Notes:

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on August 17, 2022;
- (b) Assuming full subscription for allotment of Right Shares;
- (c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expense

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
- The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 43.36 (Rupees Forty Three and Thirty Six Paise Only);
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

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

6) Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme;



7) Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered;

8) Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer

No equity shares are acquired by promoter and promoter group in the last one year prior to the filing of this Letter of Offer.

9) Intention and participation by the promoter and promoter group

Pursuant to the letter dated November 14, 2022, our Promoter and Promoter group, has undertaken that:

they would not subscribe to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with

- a) Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and
- b) they may renounce their rights entitlement.
- c) Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars and subscribe to unsubscribed portion of the Issue, if any.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST 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 under the Applicable Law.

10) Shareholding Pattern of our company as per the latest quarterly filing with the Stock Exchange in compliance with SEBI Listing Regulations:

- i. The shareholding pattern of our Company as on September 30, 2022, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/sprayking-agro-equipment-ltd/sprayking/540079/shareholding-pattern/>
- ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/sprayking-agro-equipment-ltd/sprayking/540079/shareholding-pattern/>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540079&qtrid=115.00&QtrName=September%202022>

11) Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchange

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on September 31, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540079&qtrid=115.00&QtrName=September%202022>



12) **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

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



SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Proceeds to:

1. Towards working capital requirements
2. General Corporate Purposes

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Details of Net Proceeds of the Issue

The details of estimated proceeds of the Issue are as follows:

Particulars	Amt. (₹ in lakhs)
Gross Proceeds from the Issue [#]	1,396.02
Less: Issue Expenses	25.00
Net Proceeds from the Issue	1,371.02

[#] Assuming full subscription.

*The issue size will not exceed ₹1,400.00 lakhs.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in lakhs)			
Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2023
1.	Working Capital Requirements	1,065.92	1,065.92
2.	Funding expenditure for General Corporate Purposes [#]	305.10	305.10
	Total Net Proceeds*	1371.02	1371.02

[#]The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

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

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company’s funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled “*Risk Factors*” beginning on page 18- of this Letter of Offer.



In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

DETAILS OF THE OBJECTS OF THE ISSUE

1. To augment the existing and incremental working capital requirement of our company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of Working Capital Requirement (on a standalone basis), is as under:

<i>(₹ in Lakhs)</i>			
Sr. No.	Particulars	For Fiscal 2021-22 (Audited)	For Fiscal 2022-23 (Projected)
I.	Current Assets:		
1.	Inventories	19.64	249
2.	Trade Receivables	935.12	1,795
3.	Short Term Loans and Advances	135.83	249
4.	Other Current Assets	-	-
	Total Current Assets	1,090.59	2,293.70
II.	Current Liabilities		
1.	Trade Payables	242.95	185
2.	Other Current Liabilities and Short Term Provisions	16.25	26
	Total Current Liabilities (B)	259.20	211.39
III.	Total Working Capital Gap (A – B)	831.39	2,082.31
IV.	Funding Pattern:		
1.	Working Capital Facilities from Banks ⁽¹⁾	-	185.00
2.	Unsecured Loans	-	-
3.	Internal Accruals / Owned Funds	831.39	831.39
4.	Right Issue	-	1,065.92

(1) Our sanctioned working capital facilities as on date of this letter of offer comprised of ₹400.00 lakhs from banks and other financial institutions.

4. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross



Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

The Promoters of our Company through its letters dated November 14, 2022 (“**Subscription Letter**”), has undertaken

- a) they would not subscribe to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and
- b) they may renounce their rights entitlement.
- c) Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars and subscribe to unsubscribed portion of the Issue, if any.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST 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 under the Applicable Law.

Further, the promoters have confirmed that the unsecured loans provided by them may be adjusted towards subscription for its entitlement in the Rights Issue and also towards additional subscription, if any, to the extent of amount of unsecured loans outstanding as on the date of allotment.

BRIDGE LOAN

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

INTERIM USE OF FUNDS



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 to 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 allowed by SEBI from time to time.

MONITORING OF UTILISATION OF FUNDS

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ 25.00 lakhs/- towards these expenses, a break-up of the same is as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs) (1)	% of Total Expenses⁽¹⁾	% of Total Issue size⁽¹⁾
1	Fees of the Lead Manager, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, other professional service providers	14.04	56.16%	1.01
4	Fees payable to regulators, including depositories, Stock Exchanges and SEBI	3.25	13.00%	0.23
5	Statutory Advertising, Marketing, Printing and Distribution	3.71	14.84%	0.27
6	Other expenses (including miscellaneous expenses and stamp duty)	4.00	16.00%	0.29
Total estimated Issue expenses*		25.00	100.00%	1.80

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

INTEREST OF PROMOTERS AND DIRECTORS IN THE OBJECTS OF THE ISSUE

Our Promoters and Directors are not interested in the objects of the issue.



STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Sprayking Agro Equipment Limited
Plot No. 237/B, Shop No. 4, GIDC, Phase II,
Dared Jamnagar, Gujarat - 361005

Dear Sirs,

Sub: Proposed rights issue of equity shares of face value of Rs. 10 each (“Equity Shares”) of Sprayking Agro Equipment Limited (the “Company” and such offering, “the Issue”)

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits available to Sprayking Agro Equipment Limited (**‘the Company’**) and the shareholders of the Company under the Income Tax Act, 1961 (**‘Act’**) and Income Tax Rules, 1962 including amendments made by Finance Act 2022 (**hereinafter referred to “Income Tax Laws”**) and indirect tax laws i.e. Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders. 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 special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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. Neither are we neither suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer and Letter of Offer (“Offer Documents”) of the Company or in any other documents in connection with the Issue.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.



We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

For M/s. DGMS & Co.
Chartered Accountants
(Firm Registration No: 0112187W)

SD/-

Shashank Doshi
Partner
Membership No: 108456
Place: Mumbai
UDIN: 22108456BECWBC1821
Date: November 24, 2022



ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

I. UNDER THE INCOME TAX ACT, 1961 (hereinafter referred to as the 'Act')

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE ACT

NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER UNDER THE ACT

NIL

Note:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares
2. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
3. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23
5. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of 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 Issue.
6. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.
7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND THE EQUITY SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE ACT

NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER UNDER THE ACT

NIL

Note:

1. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
2. All the above statements are as per the Indirect Tax laws and does not cover any direct tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of 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 Issue.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMIC OVERVIEW

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. In China, further lockdowns and the deepening real estate crisis have led growth to be revised down by 1.1 percentage points, with major global spillovers. And in Europe, significant downgrades reflect spillovers from the war in Ukraine and tighter monetary policy. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.

The effects of the COVID-19 pandemic are already being felt on a global level, the global brass rods market is noticeably influenced. In 2020, COVID-19 has had a negative impact on many markets. Several countries went into lockdown. With the sudden pandemic, all kinds of businesses observed disruptions. With many restrictions in the pandemic, different types of markets were negatively impacted. The demand for such rods is derived from the construction industry where it is used in interior designing. Halt on all types of construction activities led to decline in the demand for such rods. New production activities of the brass were also paused due to lockdown measures which affected the demand for the product.

INTRODUCTION

Brass rod is a composite of Copper and Zinc which is famous for its immense strength and shield against corrosion. Brass rods are hollow pieces of leaded brass mostly manufactured in the shape of a rod used for machining applications. These rods show superior mechanical properties and are resistant to corrosion with high electrical conductivity. These rods come in a varied range of sizes and find their use in the manufacture of precision tools used in electronics, sanitary ware, automotive, industrial equipment, plumbing, and architecture. It is useful for the marine construction industry because of its durability, corrosive resistance, and hard material.

The increased rate of plumbing and architectural activities carried out in the ever-expanding construction sector is the driving factor for the brass rod market growth. Also, an increase is being experienced in the popularity of brass rods in marine constructions on account of their corrosion-free properties. A hike in the alloy usages as the need for more strength in construction industries is flourishing, these facets are expected to push the global brass rods market growth. The augmented demand for high-end electrical and electronic devices will further force the growth of the brass rod market as these rods form a worthwhile option in the manufacturing sector because of their lightweight and high strength. Rapid industrialization will help in the exponential growth of the market due to the increased adoption of these rods in industrial machinery. Additionally, the brass rods market is increasing especially since the rise in the development activities in varied developing economies like India, China, and Indonesia.

(source: <https://www.maximizemarketresearch.com/market-report/global-brass-rods-market/80637/>)



MARKET SIZE

The global brass rods market size was USD 16,510 million in 2022. The global COVID-19 pandemic has been unprecedented and staggering, with brass rods experiencing higher-than-anticipated demand across all regions compared to pre-pandemic levels. As per our research, the market is projected to touch USD 19,260 million by 2028, exhibiting a CAGR of 2.6% during the forecast period. The sudden spike in CAGR is attributable to demand returning to pre-pandemic levels once the pandemic is over.

Brass rods are used to produce force components such as washers, pins, pipe, rivets, screen, radiator parts, nuts, and pressure gauge. Solid rods are strong pieces of brass that are cut into specific diameter and length that are used where corrosion resistance and electrical conductivity are taken into account. Brass is a metal alloy that is made from copper and zinc. It is stronger and harder than copper and can be shaped into various shapes.

The growing demand for brass rods is due to rising industrial applications and interior designing. They are used in various sizes and are used in sanitary ware, automotive, plumbing, architecture, electronics, and industrial equipment. The rising use of such rods in construction activities is expected to create more demand in the market. They are popular in marine constructions due to their corrosion-free properties. Augmenting industrialization is expected to raise the demand for such rods exponentially.

Metal Alloys Market was valued at around USD 291 billion in 2021 and is anticipated to grow at a CAGR of 5.1% from 2022 to 2030 driven by the rapidly rising transportation sector along with increasing investments in construction projects across the globe. With respect to volume, the industry size may register a CAGR of 4.5% through 2030, with a targeted projection of 170,031.0 kilo tons.

Source: <https://www.businessresearchinsights.com/market-reports/brass-rods-market-100172>

THE FORCES SHAPING THE OUTLOOK

Global slowdown intensifies as downside risks materialize

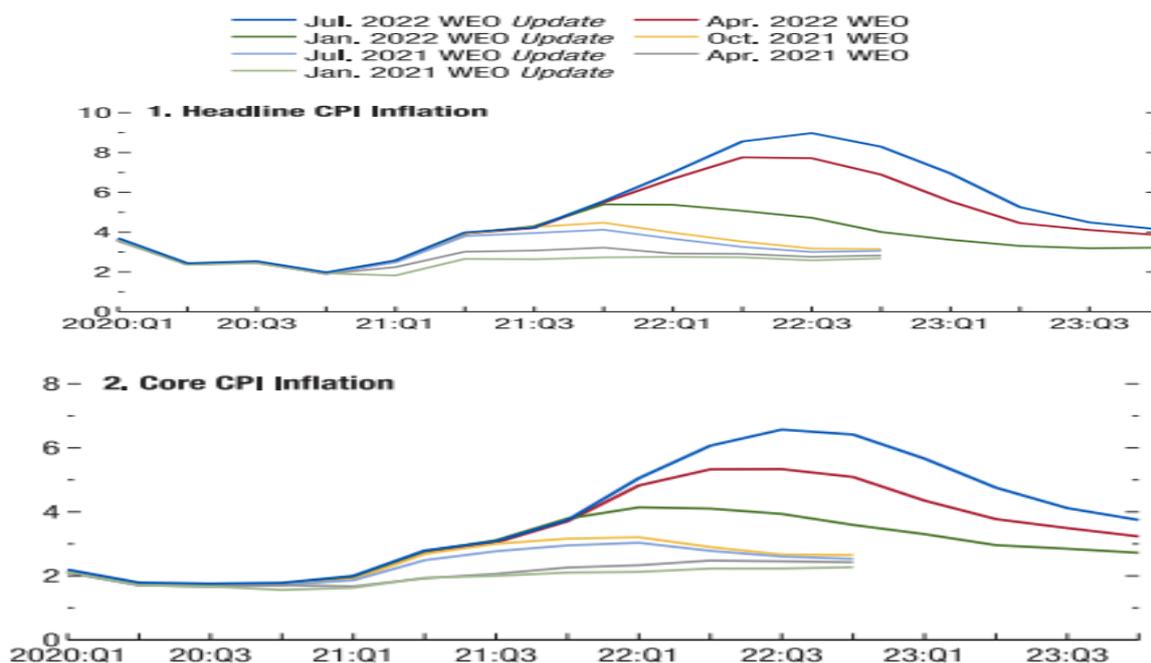
A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. Performance was slightly better than expected in the first quarter, but world real GDP is estimated to have shrunk in the second quarter—the first contraction since 2020—owing to economic downturns in China and Russia. Downside risks discussed in the April 2022 World Economic Outlook are materializing, with higher inflation worldwide, especially in the United States and major European economies, triggering a sharp tightening in global financial conditions; a sharper-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative cross-border effects from the war in Ukraine.

Global inflation again surprises on the upside, prompting more central bank tightening

Since 2021, consumer prices have consistently risen faster than widely expected, including in the World Economic Outlook (Figure 1). In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back toward services have in most economies driven up headline inflation. But underlying inflation has also increased, as reflected in different gauges of core inflation, reflecting the pass-through of cost pressures by way of supply chains and tight labor markets, especially in advanced economies.¹ Wage growth has on average not kept up with inflation across both advanced and emerging market and developing economies, eroding household purchasing power. Although long-term inflation expectations have been stable in most major economies, they have started to rise according to some measures, including in the United States (Figure 2). In response to incoming data, central banks of major advanced economies are withdrawing monetary support more assertively and raising policy interest rates faster than expected in the April 2022 World Economic Outlook. Central banks in several emerging market and developing economies have raised interest rates more aggressively than during past advanced economy tightening cycles. The associated rise in longer-term borrowing costs, including mortgage and tighter global financial conditions have led to precipitous declines in equity prices, weighing on growth. At the same time, public COVID-19 support packages have been wound down.



Figure 1. Global Inflation Forecasts: Serial Upside Surprises
(Percent)



Source: IMF staff calculations.

Note: Global inflation is a weighted average of individual countries' numbers using GDP valued at purchasing power parity as weights. WEO = World Economic Outlook.

[\(Source: The International Monetary Fund, World Economic Outlook July, 2022\)](#)

INDIAN SCENARIO

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

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

Regional Insights

- Asia Pacific holds the largest part of the global brass rods market share due to increasing applications in electrical and electronic applications and plumbing fittings. Increasing construction activities in the region for commercial and residential infrastructure in countries such as China, India, and Indonesia. Technological developments in the manufacturing processes in the region as it has high demand for high strength materials in various industries. Increasing electrification in the countries of the region is expected to fuel the demand for such alloys.



(Source: <https://www.businessresearchinsights.com/market-reports/brass-rods-market-100172>)

Recent Developments

Developments in additive manufacturing coupled with significant growth in flexible packaging are further offering new opportunities for product expansion. Metal alloys are metallic substances formed by fusing or mixing two metals, or a non-metal and metal, thereby obtaining a desirable characteristic including strength, hardness, lightness, etc. The unique combination of properties provided by metal alloys for a broad range of applications including transportation, construction, machinery, and packaging will support the metal alloys market over the forecast timeframe.

Metal alloys including stainless steel and aluminum are widely used in several applications owing to their superior corrosion resistance, good thermal & electrical properties, strength, and other properties. The rising use of aluminum alloys in transportation along with the growth in industrialization in developing economies around the globe will drive market growth.

The construction industry is another major consumer of metal alloys with a wide range of products including structural sections, girders, and rods & wires. Steel, aluminum, and other alloys including brass & titanium are widely used in the construction industry. Steel alloys are mainly used in structural applications such as bridges, highways, buildings, and other civil engineering works.

The proliferating urbanization and ongoing infrastructural development projects around the globe will drive the metal alloys market share. In addition, the current trends of using larger metals and metal alloys in roofing structures in developed economies including the U.S., Canada, and several European countries are supporting the material demand.

(Source: <https://www.gminsights.com/industry-analysis/metal-alloys-market>)

Government Initiatives

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

- In July 2022, the Union Cabinet chaired by the Prime Minister, Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India and Maldives. This MoU will provide a platform to tap the benefits of IT for court digitization, and can be a potential growth area for IT companies and start-ups in both the countries.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defence" (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners, including major trade agreements such as the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).

Road Ahead

The aluminum alloys segment is expected to generate nearly USD 229 billion by 2030, growing at a CAGR of around 4.5% from 2022 to 2030. Aluminum alloys are extensively used in the automotive & transportation, aerospace & defense, marine, and other end-use industries. The growing production of automotive vehicles across the globe supporting the consumption of these alloys.



Moreover, aluminum alloys are highly resistant to corrosion compared to other metals, boosting the demand for aluminum alloys from various end-use industries. Aluminum alloys are broadly used across the construction industry for producing different materials, such as doors, windows, panels, etc., due to their lightweight and high-strength properties.

The metal alloys market from casting process is expected to grow at a considerable rate at a CAGR of nearly 5% from 2022 to 2030 owing to the use of this process in producing complex structures in one part. Several aluminum & stainless-steel alloy casting products are widely used in transportation, machinery, and construction applications. The casting process offers strength to the parts. Furthermore, other materials, such as magnesium alloy casting products, are widely used in power tools & sporting goods and the transportation sector.

Transportation application dominates the metal alloys sector with around 36% of the volumetric share in 2021. The segment is expected to dominate the market over the forecast timeframe with the generation of over USD 180 billion in revenue by 2030. The growing sales of lightweight vehicles, which include LCVs and passenger cars, across the globe owing to continuous growth in the socio-economic conditions will support the demand for alloys.

The market from transportation application is being driven by rising fuel prices, stringent emission regulations, and efficient driving experience, especially in North America and Europe. Furthermore, the increasing adoption of aluminum in multiple automotive applications by globally established OEMs has enhanced segmental growth. The rising average weight of the vehicles due to the integration of various systems has encouraged OEMs to consider using lighter materials in their vehicles.

GLOBAL AGRICULTURAL SPRAYERS MARKET

The global Agricultural sprayer is estimated at USD 2.5 Billion in 2022. It is projected to reach USD 3.5 Billion by 2027, recording a CAGR of 6.8% during the forecast period.

Farming equipments are essential to enhance crop yield and cut down the labor cost. Over the past few years, Agricultural sprayers have become important for farmers or growers for spraying fertilizers, herbicides, and pesticides during the harvest time as per the need.

Technological developments permit farmers to apply chemicals in an effective manner. Therefore, the market for agricultural sprayers has gained a momentum because change in farming techniques and technological adoption. Furthermore, growing importance on farm efficiency and productivity, increasing production of cereals & grains in Asian countries, and government support toward modern agricultural methodologies are some of the important factors driving the agricultural sprayer's market growth. Asia Pacific is projected to witness the growth of 7.5% during the forecast period.

In developing economies, the markets for agri-food products are rapidly changing, becoming increasingly open and homogenized toward international standards. Countries in Asia Pacific such as India, Australia, Japan, and others are traditional agricultural countries. These countries are adopting modern farming techniques and equipment such as tractor mounted sprayers along with new distribution channels are fueling the agricultural sprayers market in the Asia-Pacific region. Self-propelled agricultural sprayers dominate the market with 38.6% of total market share in value. One of the most used types of sprayers; self-propelled sprayers are easy to use and offers great flexibility in terms of nozzle types and height adjustment. Self-propelled sprayers are utilized to attain the large-scale productivity demand of crops. Self-propelled sprayers are attached with a selectable tank size, which can be increased or decreased depending on the farm size. The growing demand for wide coverage equipment on farms is anticipated to drive the self-propelled agricultural sprayers in near future.

(Source: <https://www.globenewswire.com/en/news-release/2022/08/22/2502064/28124/en/Global-Agricultural-Sprayers-Market-2022-to-2027-Growth-in-Precision-and-Other-Modern-Farming-Practices-Presents-Opportunities>.)

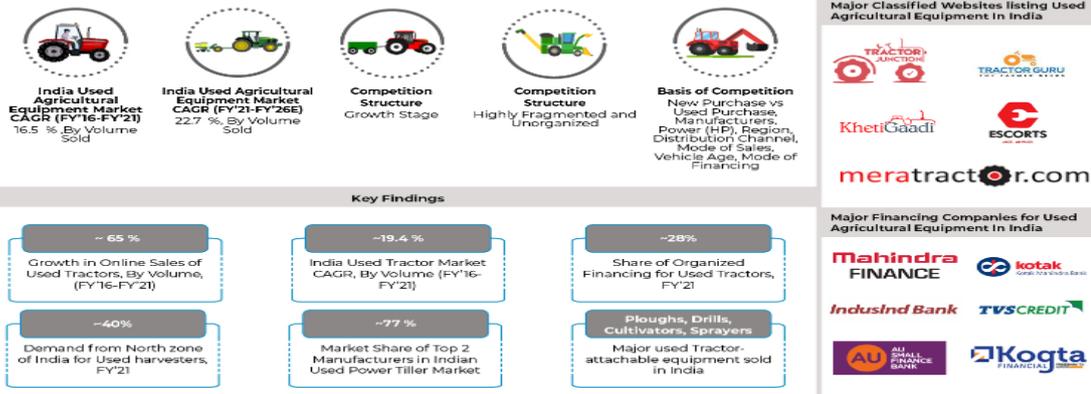
INDIAN AGRICULTURAL SPRAYERS MARKET



Agricultural equipment market in India is expected to grow further in the near future, with increasing adoption of farm implements among Indian farmers. The market is expected to register a positive CAGR of ~22.7% in terms of volume sold, during the forecast period of FY'21-FY'26.



India Used Agri-Equipment Sales is driven by rising adoption of small and marginal farmers and government subsidies to increase the demand of used equipment: Ken Research



DRIVING FACTORS

- **Increase in regional demand contributing to augmenting the domestic power tiller market:** While the used Power tiller market will still have a negligible contribution to the overall used agri-equipment market, it will recover from stagnation observed in last 5 years due to Chinese imported tillers, with a projected CAGR growth of ~3% from FY'21 to FY'26.
- **Government proposal to increase demand for tractor-attachable equipments:** Rotavators, Sprayers and Ploughs & Drills will have increased market share contributing more and more in the growth of this market, due to organizations such as FICCI proposing promotion of these implements in northern India to GoI.
- **The future of Agricultural Financing:** With the rise of various classifieds serving specifically in the used agri-equipment market, there is optimistic potential for financing opportunities, especially with increasing internet penetration in rural areas. Several players such as Mahindra Finance are gearing towards this domain.

(Source: <https://www.kenresearch.com/blog/2022/05/india-agricultural-sprayer-market-harrows-market/>)

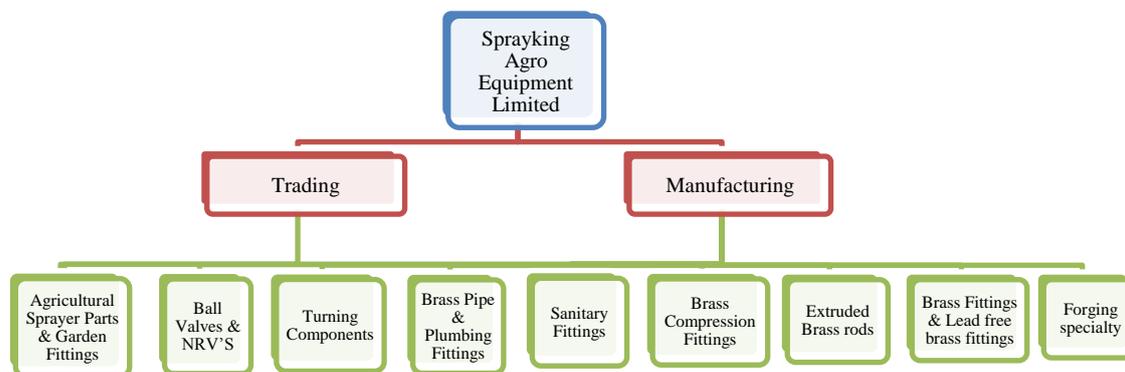


OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain – forward looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 18, for discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 66, and 116, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

OVERVIEW

Our Company is incorporated on February 17 2005, as a private limited company under the name ‘*Sprayking Agro Equipment Private Limited*’ under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. Subsequently, our Company was converted into Public Company and name of our Company was changed to — “Sprayking Agro Equipment Limited” pursuant to issuance of fresh Certificate of Incorporation dated March 04, 2016. The equity shares of our Company was listed on the SME Platform of BSE on September 14, 2016, bearing Scrip code ‘540079’ and ISIN ‘INE537U01011’. The Corporate Identification Number of our Company is L29219GJ2005PLC045508.



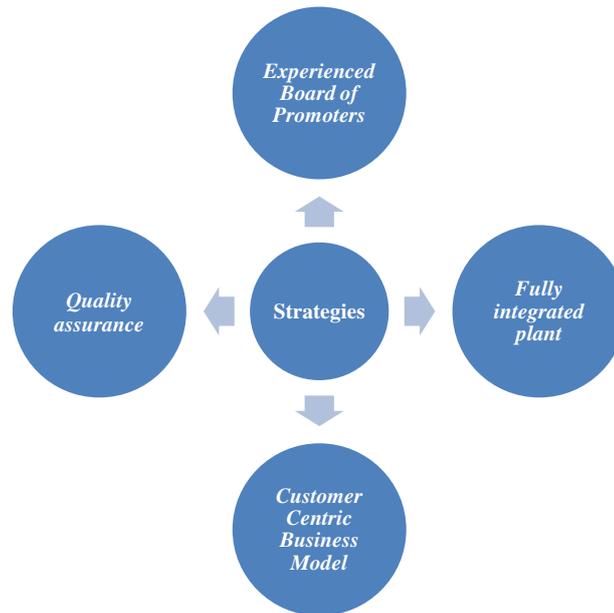
Our Company is in the business of manufacturing and trading of agricultural sprayer parts & garden fittings, ball valves & NRV'S, turning components, brass pipe & plumbing fittings, sanitary fittings, brass compression fittings, extruded brass rods, brass fittings & lead free brass fittings and forging specialty. Our manufacturing unit is located in Jamnagar. In our trading business, based on the orders received from our customers, we order the exact requirement from our suppliers and make the final product available to our customers.

Our financial performance

Our revenue from operations for the financial year ending 2022-21, 2021-20 and Half Year Ended on September 30, 2022 are ₹1561.93 Lakhs, 1860.19lakhs and ₹ 594.07 Lakhs respectively. Our Net Profit/Loss after tax for the financial year ending 2022-21, 2021-20 and Half Year Ended on September 30, 2022 are ₹34.68 Lakhs, ₹62.04 lakhs and ₹8.67 Lakhs respectively.



COMPETITIVE STRENGTHS



1. Experienced Board of Promoters

We believe the experience and depth of our management team to be a distinctive competitive advantage in the industry in which we operate. Our dedicated and experienced promoters with more than 15 years of experience in the Brass Industry gives us a competitive advantage over the players. We believe they have been key drivers to our growth in revenue and earnings through the efficient execution and operations.

2. Fully integrated plant

We have an integrated business unit located at Dared, Jamnagar. The primary raw material used is brass scrap which is used to manufacture Brass Agro Equipment and Plumbing products. Our manufacturing facility is fully integrated as it converts raw material into finished product. We also manufacture customized brass products as per customer specification which gives us edge over other players.

3. Customer Centric Business Model

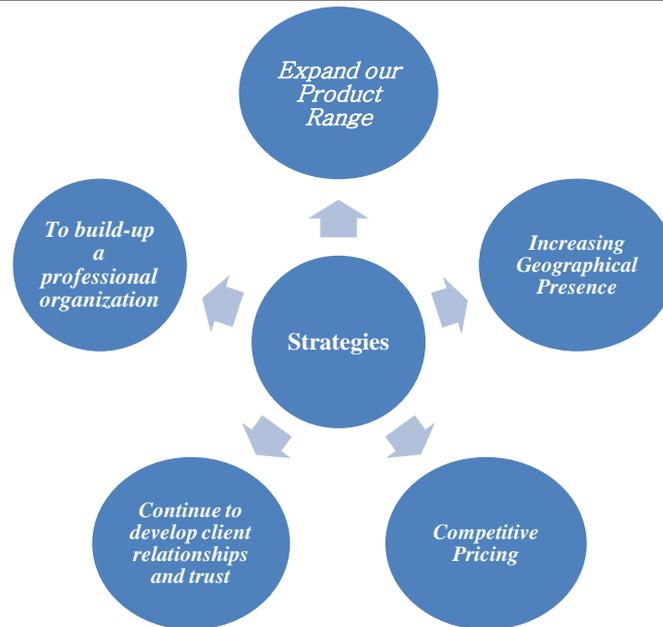
Our Company focuses on attaining customer satisfaction. The progress achieved by us is largely due to our ability to address and exceed customer satisfaction. The promoters of the Company have years of expertise and are well acquainted with domestic and international markets. We have strong reputation with our customers and we try to excel on the same.

4. Quality assurance

We believe that quality is an ongoing process of building and sustaining relationships. Our strength lies in understanding the requirements of the customer.

OUR STRATEGIES

The key elements of our strategies are as follows:



1. Expand our Product Range

We have a fully integrated plant capable of manufacturing various other Brass Products. Currently we also use our plant to manufacture customer specific products. We may utilise our manufacturing plant for other brass products including Plumbing Components, Auto Parts, Electrical Parts, etc.

2. Increasing Geographical Presence

We intend to expand our presence in other region of India as well as International Market. Through a combination of increased utilization of capacities, reduced costs, wider range of products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier in the steel industry.

3. Competitive Pricing

Price is an important aspect of a business' marketing mix and changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and withhold a strong position in the market.

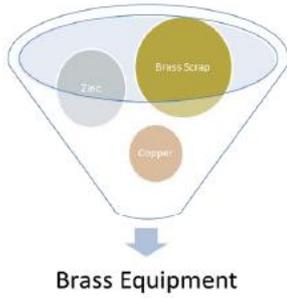
4. Continue to develop client relationships and trust

We plan to grow our business primarily by growing our customer relationships and trust. We believe that increased customer relationships and trust will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. We believe that our business is a by-product of relationship and trust. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

5. To build-up a professional organization

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

CONTENT OF BRASS EQUIPMENT



Brass is an alloy generally made from Zinc and Copper. It is used for various purposes as it is corrosion free with high tensile strength. The brass scrap is mix with Copper and Zinc to give the equipment its proper characteristic. Brass Scrap is filtered by inspection and appropriate amount of Zinc and Copper is added to give it proper characteristic. It is a substitution alloy: atoms of the two constituents may replace each other within the same crystal structure.

OUR PRODUCT RANGE



Ball Valves & NRV's



Turning Components



Brass Pipe & Plumbing Fittings



Sanitary Fittings



Brass Compression Fittings



Extruded Brass Rods



Brass Fittings & Lead Free Brass Fittings



Forging Specialty



Brass Scrap



Zinc



Copper

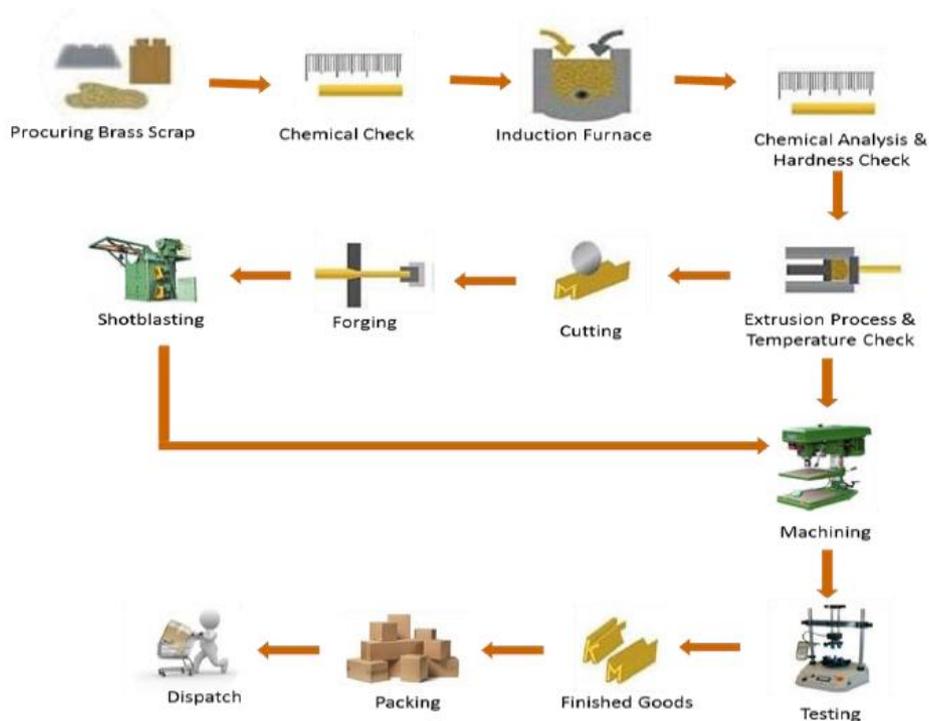
BUSINESS PROCESSES

1. Trading Business Process

In our trading business the goods are procured from suppliers on cash or credit basis and supplied to customers on credit basis. The procurement of goods is carried out on an “order” basis as well as “demand estimation basis”.

2. Manufacturing Process

The basic raw material is Brass Scrap, Copper Scrap and Zinc Scrap. These raw material are supplied to Narmada Brass Industries for Chemical Check, Induction Furnace and Chemical Analysis & Hardness Check sold to Narmada Brass Industries for processing & conversion into extruded brass rod and forging parts. Thereafter we purchase extruded brass rod and forging parts and do the machining to make final products which are then packed and are ready for sale.



PLANT & MACHINERY

Automatic Tropic Machine, Turning Lathe Machine, Vertical Milling Machine, CNC and SPMs

UTILITIES

Raw Materials



The basic raw material required for our product manufacturing is Brass Scrap, Copper Scrap, Zinc Scrap, extruded brass roads and forging parts.

Water

Our commercial production process does not require much water which supplied by GIDC Plot & Shed Holder's Association (Phase II).

Power

Our Company meets its Power requirements by purchasing electricity from Paschim Gujarat Vij Company Limited.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on the date of this Letter of Offer have 9 employees. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

COMPETITION

Our Company operates in highly competitive markets and faces competition; however it is not possible to compute the present market share of our Company since the Brass Industry is largely an unorganized industry and there are no reliable source / report which carry this data on market share. For Further information, please refer risk factor of letter of offer beginning from page no. 18.

MARKETING

We do not have any specific marketing strategy. However, our top management and key executives of our company enjoy the confidence of our customers. To get the feedback on the quality of products and services and to improve the same as well, we interact with our customers on a periodical basis.

INTELLECTUAL PROPERTY

As on the date of this Letter of Offer, our trademark (logo) of our Company is not registered with the Trademark Registry.

PROPERTY

Our Registered Office is situated at Plot No 237/B, Shop No. 4, GIDC, Phase II, Dared, Jamnagar -361005, Gujarat which is on Leave and License.



OUR MANAGEMENT

Board of Directors:

As on the date of Letter of Offer, our Company has five (5) Directors consisting of one(1) Chairman and Managing Director, one(1) Whole-time Director, one(1) Executive Director and two (2) Non-Executive Independent Directors. Out of these, we have 1 woman directors.

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

Name, Current Designation, Address, Date of Birth, Term, Occupation, DIN and Nationality	Age (Years)	Other Directorships
<p>Hitesh Pragaajibhai Dudhagara</p> <p>Designation: Chairman and Managing Director</p> <p>Address: Gangotri, Raghuvir Society, Janta Fatak, Street no. 2, Indira road, Dangarvada, Udyognagar, Jamnagar – 361004</p> <p>Date of Birth: October 13, 1979</p> <p>Term: Re-appointed for a period of 5 years from March 05, 2021.</p> <p>Occupation: Business</p> <p>DIN:00414604</p> <p>Nationality: Indian</p>	43	1. Narmadeshwar Metal Private Limited
<p>Pragjibhai Meghjibhai Patel</p> <p>Designation: Whole-time Director</p> <p>Address: Raghuvir Society, street no. 3, opp fayar brided, Dangarvada, Digvijay plot kalavad, Jamnagar – 361005</p> <p>Date of Birth: September 17, 1955</p> <p>Term: Re-appointed for a period of 5 years from September 22, 2022.</p> <p>Occupation: Business</p> <p>DIN: 00414510</p> <p>Nationality: Indian</p>	67	NIL
<p>Ronak Hitesh Dudhagara</p> <p>Designation: Executive Director</p> <p>Address: Gangotri, Raghuvir Society, Janta Fatak, Street no. 2, Indira road, Dangarvada, Jamnagar – 361004</p>	39	NIL



Name, Current Designation, Address, Date of Birth, Term, Occupation, DIN and Nationality	Age (Years)	Other Directorships
<p>Date of Birth: January 09, 1983</p> <p>Term: Re-appointed for a period of 5 years from September 22, 2022.</p> <p>Occupation: Business</p> <p>DIN:05238631</p> <p>Nationality: Indian</p>		
<p>Sandip Bhaskerrai Pandya</p> <p>Designation: Additional Non – Executive Independent Director</p> <p>Address: Block-C/8, Jai Bhagwan apartment, Behind Krushna Nagar, opp. Indraprasth Society, Udyognagar, Jamnagar-361004.</p> <p>Date of Birth: November 17, 1980</p> <p>Term: Appointed as Additional Director till the ensuing General Meeting</p> <p>Occupation: Business</p> <p>DIN: 06783003</p> <p>Nationality: Indian</p>	42	<ol style="list-style-type: none"> 1. F C Pharmaceuticals Private Limited 2. Festino Vincom Limited 3. Merlin Commosales Private Limited 4. Hence Home Appliances Limited 5. Siddheshwar Advisory Private Limited 6. Wealth Mine Networks Private Limited
<p>Kaushik K Dudhagara</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: Shyamnagar street no. 8, near haria college, Udyognagar, Jamnagar- 361004</p> <p>Date of Birth: February 14, 1992</p> <p>Term: Appointed for a period of 5years from December 31, 2018andis not liable to retire by rotation</p> <p>Occupation: Professional</p> <p>DIN:08243377</p> <p>Nationality: Indian</p>	30	NIL



Relationship between Directors

Except as stated below, none of the Directors of the Company are related to each other:

1. Hitesh Pragajibhai Dudhagara is the son of Pragajibhai Meghajibhai Patel
2. Hitesh Pragajibhai Dudhagara is the Husband of Ronak Hitesh Dudhagara
3. Pragajibhai Meghajibhai Patel is Father in law of Ronak Hitesh Dudhagara

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Hitesh Pragajibhai Dudhagara

Hitesh Patel aged 43 years, is the Chairman and Managing Director of our Company. He has been associated with our company as Director since the incorporation. He has completed his Bachelor's degree in Mechanical Engineering from Shivaji University, Kolhapur in the year 2001. He has experience of more than 15 years in the field of brass industry and looking after overall operation of the Company.

Pragajibhai Meghajibhai Patel

Pragajibhai Patel, aged 67 years, is the Whole Time Director of our Company. He has been associated with our company as Director since the incorporation. He has experience of more than 16 years in brass Industry. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations for our Company.

Ronak Hitesh Dudhagara

Ronak Dudhagara aged 33 years, is appointed as Executive Director of our Company on February 27, 2016. She has been associated with our company since incorporation. She has completed Bachelor in Science from Saurashtra University. She has an overall experience of around 8 years in the field of brass industry. She has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company.

Sandip Bhaskerrai Pandya

Sandip Bhaskerrai Pandya, aged 40 Years is Additional Non-Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. November 22, 2022. He has completed his bachelor's degree in Commerce from Saurashtra University. He has around 8 years of experience in the field of accounts and Finance.

Kaushik K Dudhagara

Kaushik K Dudhagara, aged 30 Years is Non-Executive Independent Director of our Company. He has completed his bachelor's degree in Commerce from Saurashtra University. He is a member of the Institute of Chartered Accountants of India. He is currently partner in SDRP & Associates and a Tax consultant & accountant in Shree Swaminarayan Infrastructure Pvt. Limited and Angel Fibers Limited. He has a decade of experience in the field of Statutory Bank Audit, Tax Audit/ Statutory Audit, Finalisation of Accounts, Preparation and Filing of Return of Income Tax, Service Tax, TDS, GST, VAT.

Other Confirmations:

- i. There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.



-
- ii. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
 - iii. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
 - iv. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
 - v. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
 - vi. None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
 - vii. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
 - viii. None of our Directors is or was, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

Key Managerial Personnel (“KMP”)

In addition to our Managing Director, whose details have been described above. Set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer.

Hiren Patoriya, aged 30 Years is the Chief Financial Officer of our Company. He has been appointed on November 22, 2021. He has completed a Bachelors Degree of Commerce from Saurashtra University. He has an experience of over 10 Years in the areas of Tax Audit report and VAT Audit report of Sole Proprietary concern, partnership firm, Trust Audit, Company Audit, Concurrent Audit, Accounting and Finalization of accounts.

Ms. Hetal Vachhani, aged 34 Years is the Company Secretary and Compliance Officer of our Company with effect from September 28, 2019. She has completed her Bachelor in Commerce and is also Qualified Company Secretary and member of the Institute of Company Secretaries of India. She has an overall experience of 8 Years in secretarial duties and compliances. She is currently responsible for handling entire secretarial duties and compliances.

All our KMP are our permanent employees.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other.



SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S.No	Details	Page Number
1.	Independent Auditor's Review Report for Half Year Ended September 30, 2022	67
2.	Audited Financial Statements as at and for the years ended March 31, 2022	75

This page has been intentionally left blank



**AUDITORS LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS OF
THE COMPANY FOR THE HALF YEAR ENDED 30th September 2022 PURSUANT TO
THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015 AS AMENDED.**

**TO
THE BOARD OF DIRECTORS OF
SPRAYKING AGRO EQUIPMENT LIMITED**

We have reviewed the accompanying statement of unaudited financial results ("the statement") of **SPRAYKING AGRO EQUIPMENT LIMITED** ("the Company") for the half year ended 30th September 2022 being submitted by the company pursuant to the requirement of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

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

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

**For, D G M S & Co.
Chartered Accountants
FRN: 0112287W**

SHASHANK Digitally signed by
SHASHANK
PRAVINCHAN PRAVINCHANDRA DOSHI
DRA DOSHI Date: 2022.11.14 18:01:30
+05'30'

Date: 14/11/2022

Place: Jamnagar

**Shashank P. Doshi
Partner
Membership No. 108456
UDIN: 22108456BDAWGQ4527**

SPRAYKING AGRO EQUIPMENT LIMITED

CIN: L29219GJ2005PLC045508

Registered Office: PLOT NO 237/B, SHOP NO. 4, GIDC, PHASE II, DARED JAMNAGAR - 361005

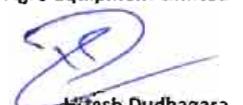
Website: www.spraykingagro.com | E-mail: spraykingagro@yahoo.com

Unaudited statement of Assets and liabilities as on September 30 2022

		(Rs. In Lakhs)	
	Particulars	As at	As at
		30/09/2022	31/03/2022
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	317.28	317.28
	(b) Reserves and surplus	602.12	593.45
	(c) Money received against share warrants	-	-
	Sub-total - Shareholders' funds (a+b+c)	919.40	910.73
2	Share application money pending allotment		-
3	Minority Interest*		-
4	Non-current liabilities		
	(a) Long-term borrowings	22.51	-
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	-	-
	Sub-total - Non-current liabilities	22.51	-
5	Current liabilities		
	(a) Short-term borrowings	117.08	-
	(b) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	54.03	242.95
	(c) Other current liabilities	0.43	1.41
	(d) Short-term provisions	13.00	14.84
	Sub-total - Current liabilities	184.54	259.20
	TOTAL - EQUITY AND LIABILITIES	1,126.45	1,169.93
B	ASSETS		
1	Non-current assets		
	(a) Property Plant & Equipments		
	- Tangible Assets	37.99	23.86
	- Intangible Assets	-	-
	- Capital Work in Progress	-	-
	(b) Non-current investments	-	-
	(c) Deferred tax assets (net)	1.87	2.17
	(d) Long-term loans and advances	13.17	13.17
	(e) Other non-current assets	-	-
	Sub-total - Non-current assets	53.03	39.20
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	51.08	19.64
	(c) Trade receivables	628.25	935.12
	(d) Cash and cash equivalents	1.82	40.14
	(e) Short-term loans and advances	392.27	135.83
	(f) Other current assets	-	-
	Sub-total - Current assets	1,073.42	1,130.73
	TOTAL - ASSETS	1,126.45	1,169.93

For, Sprayking Agro Equipment Limited




Hitesh Dudhagara
 Managing Director
 DIN: 00414604

Date: 14th November 2022
Place: Jamnagar

SPRAYKING AGRO EQUIPMENT LIMITED

CIN: L29219GJ2005PLC045508

Registered Office: PLOT NO 237/B, SHOP NO. 4, GIDC, PHASE II, DARED JAMNAGAR - 361005

Website: www.spraykingagro.com | E-mail: spraykingagro@yahoo.com

Unaudited Cash Flow Statement for the half year ended September 30, 2022

	Particulars	As on 30th September, 2022	As on 31st March, 2022
		Rs. In Lakhs	Rs. In Lakhs
A.	Cash flow from operating activities		
	Profit before Tax	19.37	47.06
	Adjustments for:		
	Depreciation and amortisation	3.12	1.97
	Interest Income	-	-0.54
	Deferred tax Asset	-	0.23
	Income tax Written off	-	1.08
	Operating profit / (loss) before working capital changes	23.89	49.80
	Movements in Working Capital		
	(Increase) / Decrease Inventories	(31.44)	-13.43
	(Increase) / Decrease Short-term loans and advances	(256.44)	-
	Increase / (Decrease) Trade payables	(188.92)	210.03
	(Increase) / Decrease Trade Receivables	306.87	(103.84)
	Increase / (Decrease) Short Term Provisions	(12.24)	(8.20)
	Increase / (Decrease) Other current Assets	-	(14.37)
	Increase / (Decrease) Other current liabilities	(0.98)	(12.92)
	Net Cash Generated/(Used in) Operations	-183.15	57.27
	Income tax Paid	-	12.38
	Net cash flow from / (used in) operating activities (A)	-159.26	94.69
B.	Cash flow from Investing activities		
	Interest received	-	0.54
	Purchase of Fixed Assets	-17.25	(11.31)
	Change in Long Term Loan and Advances	-	(10.00)
	Net cash flow from / (used in) investing activities (B)	-17.25	-20.77
C.	Cash flow from financing activities		
	Finance cost	-1.40	-
	Increase / (Decrease) Long Term Borrowings	22.51	-
	Increase / (Decrease) Short Term Borrowings	117.08	-36.32
	Net cash flow from / (used in) financing activities (C)	138.19	-36.32
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-38.32	37.60
	Cash and cash equivalents at the beginning of the year	40.14	2.54
	Cash and cash equivalents at the end of the year *	1.82	40.14
	* Comprises:		
	(a) Cash on hand	0.96	1.42
	(b) Balances with banks		
	(i) In current accounts	0.86	38.72
	(ii) In deposit accounts		
		1.82	40.14

For, Sprayking Agro Equipment Limited



(Signature)

Hitesh Dudhagara
Managing Director
DIN: 00414604

Date: 14th November 2022
Place: Jamnagar

SPRAYKING AGRO EQUIPMENT LIMITED

CIN: L29219GJ2005PLC045508

Registered Office: PLOT NO 237/B, SHOP NO. 4, GIDC, PHASE II, DARED JAMNAGAR - 361005

Website: www.spraykingagro.com | E-mail: spraykingagro@yahoo.com

Statement of Unaudited Financial Results for the half year ended September 30, 2022

Particulars		Half Year Ended			(Rs. in Lakh)
		30-09-2022	31-03-2022	30-09-2021	31-03-2021
A	Date of start of reporting period	01-04-2022	01-10-2021	01-04-2021	01-04-2021
B	Date of end of reporting period	30-09-2022	31-03-2022	30-09-2021	31-03-2021
C	Whether results are audited or unaudited	Unaudited	Audited	Unaudited	Audited
1	Revenue From Operations				
	(a) Revenue From Operations	594.07	1,299.52	262.40	1,561.93
	(b) Other Income	15.84	31.39	6.20	37.59
	Total Revenue from operations (net)	609.91	1,330.91	268.60	1,599.52
	Expenditure				
	(a) Cost of materials consumed	576.81	1,211.13	237.34	1,448.47
	(b) Purchases of stock-in-trade	-	-	-	-
	(c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(31.44)	(11.67)	(1.76)	(13.43)
	(d) Employee benefit expense	12.34	14.80	11.25	26.05
	(e) Finance Costs	1.40	0.79	(0.41)	0.38
	(e) Depreciation and amortisation expense	3.12	1.56	0.41	1.97
	(f) Other Expenses	28.31	83.55	5.46	89.01
	Total expenses	590.54	1,300.16	252.29	1,552.45
	Profit (loss) Before exceptional & Extraordinary Items and Tax	19.37	30.75	16.31	47.06
	Exceptional Items	-	-	-	-
	Profit (loss) from ordinary activities before Extraordinary Items and Tax	19.37	30.75	16.31	47.06
	Extraordinary Items	-	-	-	-
	Profit (loss) from ordinary activities before tax	19.37	30.75	16.31	47.06
	Tax Expenses - Current Tax	10.40	7.91	4.24	12.15
	(less): MAT Credit	-	-	-	-
	Current Tax Expense Relating to Prior years	-	-	-	-
	Deferred Tax (Assets)/Liabilities	0.30	0.23	-	0.23
	Profit (loss) from ordinary activities	8.67	22.61	12.07	34.68
	Profit/(Loss) From Discontinuing Operation Before Tax	-	-	-	-
	Tax Expenses of Discontinuing Operations	-	-	-	-
	Net Profit/(Loss) from Discontinuing Operation After Tax	-	-	-	-
	Profit(Loss) For Period Before Minority Interest	-	-	-	-
	Share Of Profit / Loss Associates	-	-	-	-
	Profit/Loss Of Minority Interest	-	-	-	-
	Net Profit (+)/ Loss (-) For the Period	8.67	22.61	12.07	34.68
	Details of equity share capital				
	Paid-up equity share capital	317.28	317.28	317.28	317.28
	Face value of equity share capital (per share)	10.00	10.00	10.00	10.00
	Details Of Debt Securities				
	Paid-up Debt Capital	-	-	-	-
	Face value of Debt Securities	-	-	-	-
	Reserve Excluding Revaluation Reserves As Par Balance sheet Of previous Year	-	-	-	-
	Debenture Redemption Reserve	-	-	-	-
	Earnings per share (EPS)				
	Basic earnings per share from continuing And Discontinuing operations	0.27	0.71	0.38	1.09
	Diluted earnings per share from continuing And Discontinuing operations	0.27	0.71	0.38	1.09

Notes:-

- 1 The above said financial results were reviewed by the Audit Committee and then approved by the Board of Directors at their respective Meetings held on 14th Nov, 2022.
- 2 The Statutory Auditors have carried out limited review of the Unaudited Results of the Company for the Half year ended 30/09/2022.
- 3 The above Unaudited financial results have been prepared in accordance with Companies (Accounting Standards) Rules, 2006 (AS) as amended, prescribed under Section 129 to 133 of Companies Act, 2013, read with relevant rules.
- 4 The Company has two reportable business segment. Hence, separate information for segment wise disclosure is given in accordance with the requirements of Accounting Standard (AS) 17 - "Segment Reporting".
- 5 The company has subsidiary company named Roni International LLC Which is incorporated on 14th November 2021 however the Consideration for the Share capital is not introduced hence no Consolidated would not be applicable for the Half year ended September 30, 2022.
- 6 Earning Per share : Earning Per share is calculated on the weighted average of the share capital received by the company. Half yearly EPS is not annualised.
- 7 Statement of Assets and Liabilities and cashflow statement as on 30th September 2022 is enclosed herewith.
- 8 The figures for the corresponding previous period have been regrouped/ reclassified wherever necessary, to make them comparable.

For, Sprayking Agro Equipment Limited



(Signature)

Hitesh Dudhagara
Managing Director
DIN: 00414604

Date: 14th November 2022
Place: Jamnagar

**INDEPENDENT AUDITOR'S REPORT****TO MEMBERS OF
SPRAYKING AGRO EQUIPMENT LTD****Report on the Accounting Standards Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of financial statements of **SPRAYKING AGRO EQUIPMENT LTD** ("the Company"), which comprise the Balance Sheet as at **31st March 2022**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2022**, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

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

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting standards referred to in section 133 of the Act, as applicable. 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 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate, Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com





Auditor's Responsibility

Our objectives are to obtain **reasonable assurance** about whether the financial statements as a whole are free from **material misstatement**, whether due to fraud or error, and to issue an auditor's report that includes **our opinion**. Reasonable assurance is a high level of assurance, but is not a guarantee that an **audit conducted in accordance with SAs** will always detect a material misstatement when it exists. **Misstatements can arise from fraud or error** and are considered material if, individually or **in the aggregate**, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.

Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate, Next to T Series Business Park, Andheri West, Mumbai - 400 053.

Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com





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 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 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Companies Act, 2013, 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 appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss including Statement of Flow dealt with this report are in agreement with the books of account;



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate, Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



- d. In our opinion, the aforesaid Financial Statement comply with the Accounting Standards specified under Section 133 of Act, read with relevant rule issued thereunder.
- e. On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, referred to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note (vii) of Annexure - A to the standalone financial statements
- (b) The Company did not have any long-term and derivative contracts as at March 31, 2022.
- (c) There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com

(d) The management has;

(i) represented that, to the best of its knowledge and belief as disclosed in Note No. 31 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) represented, that, to the best of its knowledge and belief as disclosed in Note No. 32 to The Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

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



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate, Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



Shashank P. Doshi
B.Com., F.C.A., ISA

(e) The company has not neither declared nor paid any dividend during the year under Section 123 of the Act.

Place: Jamnagar
Date: 28th May 2022

FOR D.G.M.S. & Co.,
Chartered Accountants



Shashank P. Doshi
Partner
M. No. 108456
FRN: 0112187W
UDIN: 22108456ANKMIW8326

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENT OF SPRAYKING AGRO EQUIPMENT LTD FOR
THE YEAR ENDED 31ST MARCH 2022**

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

(i) Property, Plant & Equipment and Intangible Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; Any material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account.
- d) According to the information and explanation given to us the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) Inventory and working capital:

- a) The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties. Confirmations of such stocks with third parties have been obtained by the Company in most of the cases. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more of the aggregate for each class of inventory.

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com





b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.

(iii) Investments, any guarantee or security or advances or loans given:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, hence reporting under clauses 3(iii)(1), (3), (4), (5), and (6) of the Orders are not applicable for the year under report.

2. In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(iv) Loan to directors:

a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) Deposits:

a) The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any relevant provisions of the 2013 act and the rules framed there under to the extent notified.

(vi) Maintenance of Cost Records:

a) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate, Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com

(vii) Statutory Dues:

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, GST, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31/03/2022 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, GST, excise duty and cess which have not been deposited on account of any dispute, as on date of signing the auditor's report.

(viii) Disclosure of Undisclosed Transactions:

- a) There According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) Loans or Other Borrowings:

- a) Based on our audit procedures and according to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) Money Raised by IPOs, FPOs:

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud:

- a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) Nidhi Company:

- a) The Company is not a Nidhi Company and hence reporting under Para 3 of clause (xii) of the Order is not applicable.

(xiii) Related Party Transactions:

- a) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Internal Audit System:

- a) In our opinion the Company has an adequate internal audit commensurate with the size and the nature of its business.



- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) Non-cash Transactions:

- a) According to the information and explanations given to us and based on our 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, paragraph 3(xv) of the Order is not applicable.

(xvi) Registration under section 45-IA of RBI Act, 1934:

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) Cash losses:

- a) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of statutory auditors:

- a) There has been no resignation of the statutory auditors of the Company during the year.

(xix) Material uncertainty on meeting liabilities:

- a) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.

Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



**(xx) Compliance of CSR:**

- a) According to the information and explanations given to us and based on our examination of the records of the company, the company has not required to spent amount towards Corporate Social Responsibility (CSR) as per the section 135 of companies' act, 2013, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(xxi) Qualifications Reporting In Group Companies:

- a) In our opinion and according to the information and explanations given to us, company does not have any subsidiaries, associates or joint ventures, so reporting under clause 3(xxi) of the Order is not applicable for the year.

Place: Jamnagar
Date: 28th May 2022

FOR D.G.M.S. & Co.,
Chartered Accountants


Shashank P. Doshi
Partner

M. No. 108456

FRN: 0112187W

UDIN: 22108456ANKMIW8326

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENT OF SPRAYKING AGRO EQUIPMENT LTD FOR THE
YEAR ENDED 31ST MARCH 2022**

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

We have audited the internal financial controls over financial reporting of **SPRAYKING AGRO EQUIPMENT LTD** ('the Company') as of **31st March, 2022** in conjunction with our audit of the Accounting Standards financial statements of the Company for the year ended on that date.

Opinion

We have audited the internal financial control with reference to financial statement of **SPRAYKING AGRO EQUIPMENT LTD** ("The Company") as of **31st March 2022** in conjunction with our audit of the financial statement of the company at and for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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



Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.

Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.

Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com



**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.

Place: Jamnagar
Date: 28th May 2022

FOR D.G.M.S. & Co.,
Chartered Accountants



Shashank P. Doshi
Partner

M. No. 108456

FRN: 0112187W

UDIN: 22108456ANKMIW8326

Head Office : 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.
Branch Office : B-15/16, 5th Floor, B Wing, Shree Siddhivinayak Plaza, Veera Desai Industrial Estate,
Next to T Series Business Park, Andheri West, Mumbai - 400 053.
Cell: +91 98242 31214 **Ph.:** 0288 2661942 **Email:** dgmsco.jam@gmail.com

SPRAYKING AGRO EQUIPMENT LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

Rs. In Lakhs

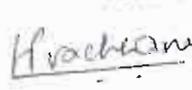
Particulars	Note No.	As at	
		31st March 2022	31st March 2021
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	317.28	317.28
(b) Reserves and Surplus	3	593.45	557.68
2 Non-current liabilities			
(a) Long-term Borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
3 Current liabilities			
(a) Short-term Borrowings	4	-	36.32
(b) Trade payables	5		
1 total outstanding dues of micro enterprises and small enterprises			
2 total outstanding dues of Creditors other than micro enterprises and small enterprises		242.95	32.92
(c) Other Current Liabilities	6	1.41	14.32
(d) Short-term Provisions	7	14.84	23.04
TOTAL		1,169.91	981.56
II. ASSETS			
1 Non-current assets			
(a) Property Plant & Equipment			
(i) Tangible assets	8	23.86	14.52
(b) Long-term Loans and Advances	9	13.17	3.17
(c) Other Non Current Assets		-	-
(d) Deferred tax Asset(Net)		2.17	2.40
2 Current assets			
(a) Inventories	10	19.64	6.20
(b) Trade Receivables	11	935.12	831.28
(c) Cash and Cash Equivalents	12	40.13	2.53
(d) Short-term Loans and advances	13	135.83	121.46
TOTAL		1,169.91	981.56

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For D G M S & Co
Chartered Accountants

1


Sashank P. Desai
Partner
M. No. 108456
FRN No. 0112187W
Place : Jamnagar
Date : 28/05/2022
UDIN : 22108456ANKMIW8326

For Sprayking Agro Equipment Ltd.

 Hitesh Dudhagara Managing Director DIN: 00414604	 Pragibhai Dudhagara Whole Time Director DIN: 00414510
 Hetal Vachhani CS	 Hiren Patoriya CFO

SPRAYKING AGRO EQUIPMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

Particulars	Note No.	For the year ended 31 march 2022	For the year ended 31 march 2021
I. Revenue from operations	14	1,561.92	1,860.19
II. Other Income	15	37.59	190.20
III. Total Income (I + II)		1,599.52	2,050.39
IV. Expenses:			
Cost of materials consumed	16	1,448.47	1,220.13
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	(13.43)	554.59
Employee benefits expense	18	26.05	32.72
Finance Costs	19	0.38	40.14
Depreciation and amortization expense	20	1.97	16.40
Other expenses	21	89.01	98.76
Total expenses		1,552.45	1,962.74
V. Profit before tax (VII- VIII)		47.06	87.65
VI Tax expense:			
(1) Current tax		12.15	22.00
(2) Deferred tax		0.23	3.61
VII Profit (Loss) for the period (XI + XIV)		34.68	62.04
VIII Earnings per equity share:			
(1) Basic		1.09	1.96
(2) Diluted		1.09	1.96

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For D G M S & Co.
Chartered Accountants

1



Shashank P. Doshi
Partner
M. No. 108456
FRN No. 0112187W
Place : Jamnagar
Date : 28/05/2022
UDIN : 22108456ANKMIW8326

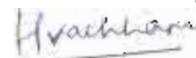
For Sprayking Agro Equipment Ltd.



Hitesh Dudhagara
Managing Director
DIN: 00414604



Pragjibhai Dudhagara
Whole Time Director
DIN: 00414510



Hetal Vachhani
CS



Hiren Patoriya
CFO

SPRAYKING AGRO EQUIPMENT LIMITED
Cash Flow Statement for the year ended 31st March 2022

Rs. In Lakhs

Sr. No.	Particulars	F.Y. 2021-22		F.Y. 2020-21	
		Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
A.	<u>Cash flow from Operating Activities</u>				
	Net Profit Before tax as per Statement of Profit & Loss		47.06		87.65
	Adjustments for:				
	Depreciation & Amortisation Exp.	1.97		16.40	
	Dividend Income	(0.01)		-	
	Profit on sale of machinery	-		(141.31)	
	Income tax Written Off	1.08		-	
	Bad Debt W/off	-		0.96	
	Deferred Asset	0.23		(3.61)	
	Interest Income	(0.53)		-	
	Finance Cost	-	2.74	40.14	(87.42)
	Operating Profit before working capital changes		49.80		0.23
	Changes in Working Capital				
	Trade receivable	(103.84)		(496.45)	
	Other Loans and advances receivable	(14.37)		(23.93)	
	Inventories	(13.43)		651.33	
	Trade Payables	210.03		23.31	
	Other Current Liabilities and other assets	(12.92)		(80.30)	
	Short term Provisions	(8.20)		17.73	
			57.27		91.69
	Net Cash Flow from Operation		107.07		91.92
	Tax Paid		12.38		28.33
	Net Cash Flow from Operating Activities (A)		94.69		63.60
B.	<u>Cash flow from investing Activities</u>				
	Purchase of Fixed Assets	(11.31)		(0.56)	
	Sale of Fixed Assets	-		355.58	
	Movement in Other Non Current Assets	-		9.59	
	Movement in Loan & Advances	(10.00)		13.11	
	Interest Income	0.53		-	
	Dividend Income	0.01		-	
			(20.77)		377.72
	Net Cash Flow from Investing Activities (B)		(20.77)		377.72



C.	Cash Flow From Financing Activities				
	Proceeds From Issue of shares capital	-			
	Proceeds From long Term Borrowing (Net)			(50.94)	
	Short Term Borrowing (Net)	(36.32)		(350.85)	
	Interest Paid			(40.14)	
	Dividend paid (Including DDT)		(36.32)		(441.93)
	Net Cash Flow from Financing Activities (C)		(36.32)		(441.93)
D.	Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		37.60		(0.62)
E.	Opening Cash & Cash Equivalents		2.53		3.15
F.	Cash and cash equivalents at the end of the period		40.13		2.53
G.	Cash And Cash Equivalents Comprise :				
	Cash		1.42		1.26
	Bank Balance :				
	Current Account		38.71		1.27
	Deposit Account				
	Total		40.13		2.53

For D G M S & Co.

Chartered Accountants



 Shashank Prasad
 Partner

M. No. 108456

FRN No. 0112187W

Place : Jamnagar

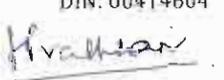
Date : 28/05/2022

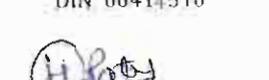
UDIN : 22108456ANKMIW8326


 For Spraying Agro Equipment Ltd.


 Hitesh Dandhagara
 Managing Director
 DIN: 00414604


 Pragjibhai Dudhagara
 Whole Time Director
 DIN: 00414510


 Hetal Vachhani
 CS


 Hiren Patariya
 CFO

For Year ended 31st March 2022

Note: - 1 Significant accounting policies:

1.0 Corporate Information

SPRAYKING AGRO EQUIPMENT LIMITED is a Limited Company, incorporated under the provisions of Companies Act, 1956 and having CIN: L29219GJ2005PLC045508. The Company is mainly engaged in the business of Trading & Exporting of Brass items like Brass sanitary fitting, Brass Agricultural item etc. The Registered office of the Company is situated at Plot No 237/B, Shop No. 4, GIDC, Phase II, Dared, Jamnagar - 361005.

1.1 Basis of preparation of financial statements

a. Accounting Convention: -

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention. and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

b. Functional and Presentation Currency

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees.

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

c. Use of Estimates and Judgments

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change form period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made. The effect of such changes are reflected in the period in which such changes are made and if material, their effect



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

are disclosed in the notes to financial statement.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

d. Current and Non - Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

1.2 Basis of Preparation

a) Property, Plant & Equipment and Intangible Assets:-

- i. The company has adopted Cost Model to measure the gross carrying amount of Property Plant & Equipment.
- ii. Tangible Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.



b) Depreciation / Amortisation :-

Depreciation has been provided under Written down Method at the rates prescribed under schedule III of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software are amortized over a period of its useful life on a straight line basis, commencing from date the assets is available to the company for its use.

c) Impairment of Assets:-

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

d) Investments:-

- Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.
- Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

e) Government Grants and Subsidies:-

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non – refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f) Retirement Benefits:-

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Employment Benefits:

i) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

ii) Defined Benefit Plans:

a) Gratuity:

The company has defined benefit plan for post employment benefit in the form of gratuity for the employees which are administered through Life Insurance Corporation of India. Liability for the said defined plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

b) Leave Encashment:

The Management has decided to pay all the pending leave of the year for the year in which the same has become payable and pending dues are cleared.

g) Valuation of Inventory :-

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis. Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material:- Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on *First in First out basis (FIFO)*.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Finished Goods and Work-in-Progress:- Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "First in First out basis (FIFO)".

c) Stock in Trade:- Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on "Weighted Average Basis".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

h) Revenue Recognition :-

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat, GST and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend from investments in shares / units is recognized when the company.

As per a recent ICAI opinion, the benefit of DEPB is recognized in the year of export itself, provided no uncertainty exists,

Other items of Income are accounted as and when the right to receive arises.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i) Accounting for effects of changes in foreign exchange rates :-

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Foreign currency transactions accounts are given in the notes of accounts.

Commodity Hedging: - The realized gain or loss in respect of commodity hedging contracts, the principal period of which has expired during the year, is recognized in profit and loss account. In respect of contracts, that are outstanding as on date of Balance sheet are valued at prevailing market price and the resultant loss, if any, is provided.

j) Borrowing Cost :-

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipments are capitalized as a part of cost of that property, plants and equipments. The amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards - 16 "Borrowing Costs". Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard - 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs and are capitalized as a part of cost of such property, plants and equipments if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

k) Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

l) Accounting for Leases :-

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a) Operating Lease:- Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight line basis over the term of the relevant lease.

b) Finance Lease:- Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

m) Cash flow:-

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

n) Earnings Per Share :-

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

o) Taxes on Income :-

• **Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

• **Deferred Taxes:-**

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- I. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

p) Discontinuing Operations :-

During the year the company has not discontinued any of its operations.

q) Provisions Contingent liabilities and contingent assets:-

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measures reliable, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

r) Event after Reporting Date:-

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the standalone financial statement of the Company by the board of directors on May 28th 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

s) Late Delivery Charges

The liability on account of late delivery charges, due to delay in delivery of finished products for on accrual basis as per the terms of contract after adjusting for the claims which are no longer.

t) Research and Development Expenses

Research and development cost of revenue are charged to revenue as and when incurred, and of capital nature is capitalized and depreciation thereon is provided as per the rates prescribed in schedule II to the companies Act, 2013.

u) Warranty Claims and Provisions

The Company makes a provision for the probable future liability on account of warranty as at the end of the financial year, in addition to meeting the actual warranty claimed.

v) Global Health Pandemic COVID - 19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant slow disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators for future economic conditions, there is no significant impact on its financial statements.



Note 2 SHARE CAPITAL

<u>Share Capital</u>	As at 31st March 2022		As at 31st March 2021	
	Numbers in Lakhs	Amt. In Lakhs	Numbers in Lakhs	Amt. In Lakhs
<u>Authorised</u>				
Equity Shares of Rs. 10 each	35.00	350.00	35.00	350.00
<u>Issued</u>				
Equity Shares of Rs. 10 each	31.73	317.28	31.73	317.28
<u>Subscribed & Paid up</u>				
Equity Shares of Rs. 10 each fully paid	31.73	317.28	31.73	317.28
Total	31.73	317.28	31.73	317.28

Note 2.1 RECONCILIATION OF NUMBER OF SHARES

Particulars	Equity Shares		Equity Shares	
	Numbers in Lakhs	Amt. In Lakhs	Numbers in Lakhs	Amt. In Lakhs
Shares outstanding at the beginning of the year	31.73	317.28	31.73	317.28
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	31.73	317.28	31.73	317.28

Note 2.2 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held in Lakhs	% of Holding	No. of Shares held in Lakhs	% of Holding
Hitesh P Dudhagara	11.72	36.93	11.72	36.93
Pragibhai M Patel	4.71	14.86	4.71	14.86
Ronakben Dudhagara	3.16	9.97	3.16	9.97
Hitesh P Patel HUF	2.01	6.35	2.01	6.35
Praful R Khothari	2.10	6.62	1.62	5.11

*Changes in Shareholding pattern of promoters have been mentioned in Note No. 46



Note 3 RESERVE AND SURPLUS

Particulars	As at 31st March 2022	As at 31st March 2021
A. Securities Premium Account		
Opening Balance	399.20	399.20
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares		
Closing Balance	399.20	399.20
B. Surplus		
Opening balance	158.47	96.44
(+) Net Profit/(Net Loss) For the current year	34.68	62.04
(-) Income Tax expenses write off	1.10	-
(-) Round Off	-	0.00
Closing Balance	194.25	158.47
Total	593.45	557.68

Note 4 SHORT TERM BORROWINGS

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
(a) Working Capital Loans		
From Banks		
HDFC Bank Ltd	-	36.32
	-	36.32
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default	-	-
2. Amount	-	-
Total	-	36.32

Note 5 TRADE PAYABLES

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Micro, Small and Medium Enterprise		
(b) Others		
Not Due	239.95	0.74
Less than 01 Years	1.97	31.15
01-02 Years	-	-
02-03 Years	-	-
More than 3 Years	-	-
(iv) Disputed Dues - Others		
Less than 01 Years	-	-
01-02 Years	-	-
02-03 Years	-	-
More than 3 Years	1.03	1.03
Total	242.95	32.92



Note 6 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Current maturities of Long Term Debt (i.e. Term Liability classified as current) SIDBI bank	-	-
(ii) Statutory Remittance		
(i) TDS Payable	0.42	0.21
(ii) TCS Payable	-	0.85
(iii) GST Payable	0.97	0.16
(iii) Advanced from Customer	-	13.08
(iv) Other Current Liabilities (Professional Tax Worker)	0.02	0.01
Total	1.41	14.32

Note 7 SHORT TERM PROVISIONS

Particulars	As at 31st March 2022	As at 31st March 2021
Provision For		
(a) Employee benefits		
(i) Contribution to PF	0.04	0.04
(ii) Worker Salary Payable	0.47	-
(b) Others (Specify nature)		
(i) Electricity Exp.	-	-
(ii) Audit Fees	0.80	1.00
(iii) Income Tax	12.15	22.00
(iv) Roc Fees	1.37	-
Total	14.84	23.04

Note 9 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March 2022	As at 31st March 2021
(Unsecured and Considered Good)		
a. Security Deposits	13.17	3.17
Total	13.17	3.17

Note 10 INVENTORIES

Particulars	As at 31st March 2022	As at 31st March 2021
a. Raw Materials and components (Valued at Lower of Cost or NRV as per FIFO Method)		-
b. Work-in-progress (Valued At Estimated Cost)	19.64	2.53
c. Finished goods (Valued at Cost or NRV as per FIFO) (Valued At Lower of Cost or NRV)	-	0.09
d. Stores and spares & Packing Materials (Valued at Lower of Cost or NRV as per FIFO Method)	-	3.58
Total	19.64	6.20



Note 11 TRADE RECEIVABLES

Particulars	As at 31st March 2022	As at 31st March 2021
Undisputed Trade Receivable - Considered good		
Not Due	35.21	64.06
Less than 6 Months	8.28	23.75
6 Months - 1 Years	889.30	743.22
01-02 Years	2.08	-
02-03 Years	-	0.25
More than 3 Years	0.25	-
Total	935.12	831.28

Note 12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2022	As at 31st March 2021
a. Balances with banks		
HDFC Bank Ltd - 1613	3.40	0.23
HDFC Bank Ltd- 9170	0.29	0.29
Central Bank Of India	1.11	0.62
HDFC O/d A/c	33.78	-
The Navanagar Bank	0.13	0.14
b. Cash on hand	1.42	1.26
Total	40.13	2.53

Note 13 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2022	As at 31st March 2021
(Unsecured and Considered Good)		
a. Balance with Government Authorities	-	19.47
b. Others (specify nature)		
Advance to Creditors	98.63	99.85
Advance to Employees	-	-
Others Advances	37.21	2.14
Total	135.83	121.46



Note 8 FIXED ASSETS

(In Rs. In Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation					NET BLOCK	
		Balance as at 1st April 2021	Additions	Disposal/ (Adjustment)	Balance as at 31st March 2022	Balance as at 1st April 2021	Amount Charged to Reserves (refer Note below)	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2022	Balance as at 1st April 2021
a	Tangible Assets											
	GIDC Housing Plot	11.87	-	-	11.87	-	-	-	-	-	11.87	11.87
	Plant and Machinery	9.20	-	-	9.20	8.14	-	0.23	-	8.37	0.83	1.06
	Vehicles	1.62	10.35	-	11.97	0.54	-	1.49	-	2.02	9.94	1.09
	Computer	5.77	0.96	-	6.73	5.32	-	0.24	-	5.56	1.17	1.45
	Mobile Instrument	0.75	-	-	0.75	0.70	-	0.01	-	0.71	0.04	0.05
	Total	29.21	11.31	-	40.52	14.69	-	1.97	-	16.67	23.86	14.52



Note 14 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Sale of products	1,561.92	1,860.19
Total	1,561.92	1,860.19

Note 14.1 PARTICULARS OF SALE OF PRODUCTS

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Manufactured Goods		
Agricultural Parts	1.12	224.90
Brass Sanitary Fitting Parts	-	23.97
Other Brass Items	1,560.81	1,611.33
Total	1,561.92	1,860.19

Note 15 OTHER INCOME

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Interest Income		
From Bank FD Deposits	0.22	-
Interest on CC Reversal	0.27	-
Interest on IT Refund	0.04	-
Dividend Income		
From Long Term Investments	0.01	-
Other Income		
Job Work Income	-	3.50
Rent Income	-	12.50
Machinery Rent Income	-	1.00
Duty Drawback Income	18.20	15.70
Profit on Sales of Fixed Assets	-	141.31
MEIS Subsidy Income	10.82	4.80
Tools Parts Development Income	-	2.36
Rate Differance Income	8.03	9.01
Total	37.59	190.20

Note 16 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Opening Stock Raw Materials	-	96.73
Add:- Purchase of Raw Materials	1,448.47	1,123.40
Closing Stock of Raw Materials	-	-
Cost of Raw Materials Consumed	1,448.47	1,220.13



Note 16.1 PARTICULARS OF COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Consumed in Manufacturing		
Brass Scrap (Honey, Zinc & Copper)	1,446.93	929.26
Machinery Parts, Oil, Diesel and Packing Material	1.55	290.87
Total	1,448.47	1,220.13

Note 17 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND WIP

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Inventories at the end of the year		
Finished Goods	-	3.68
Work In Progress	19.64	2.53
Inventories at the beginning of the year		
Finished Goods	3.68	177.31
Work In Progress	2.53	383.49
Net(Increase)/decrease	(13.43)	554.50

Note 18 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
(a) Salaries and Wages	25.96	32.39
(b) Contributions to Provident Fund & Other Fund		
Provident fund	0.10	0.33
(c) Staff welfare expenses		
Total	26.05	32.72

Note 19 FINANCE COST

Finance Cost	For the year ended 31 march 2022	For the year ended 31 march 2021
(a) Interest expense :-		
(i) Borrowings	-	36.70
(ii) Interest on TDS		0.04
(b) Other borrowing costs	0.38	3.41
Total	0.38	40.14

Note 20 DEPRECIATION AND AMORTISATION

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Depreciation Exp	1.97	16.40
Total	1.97	16.40



Note 21 OTHER EXPENSES

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
Manufacturing Expenses		
Labour Subcontracting/Job Work Exp	-	61.58
Electric Power & Fuel	0.07	0.60
Repair to Machinery	0.51	1.00
Freight & Forwarding Exp	25.77	11.62
Selling & Distribution Expenses		
Rate Difference Exp		2.47
Establishment Expenses		
Advertisement Expenses	0.13	-
Travelling Exp	9.67	0.36
Rates & Taxes	0.36	1.93
Payment To auditor	0.80	1.00
Donations	1.22	-
Machinery Insurance		-
Legal & Professional Fees	9.70	2.53
Printing & Stationery Exp	0.02	0.01
Vehicle Exp	0.59	1.83
Telephone Exp	0.31	0.32
SABS Pre-Permit Fees	38.15	-
Bad Debts Write off	-	0.96
Preliminary Exp Written Off	-	9.59
Office Exp	0.15	0.58
Miscellaneous Expense	1.56	2.38
Total	89.01	98.76

Note 21.1 PAYMENT TO AUDITORS AS:

Particulars	For the year ended 31 march 2022	For the year ended 31 march 2021
a. auditor	0.80	1.00
b. for taxation matters		-
c. for company law matters		-
d. for management services		-
e. for other services		-
f. for reimbursement of expenses		-
Total	0.80	1.00



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.
23. The Company has not revalued its Property, Plant and Equipment for the current year.
24. There has been no Capital work in progress for the current year of the company.
25. There is no Intangible assets under development in the current year.
26. Credit and Debit balances of unsecured loans, Trade Payables, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
27. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
28. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
29. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
30. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
31. The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
32. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
33. The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.

35. Foreign Currency Transactions: -

Expenditure in Foreign Currency: - 185.61 (Rs. in lacs)

Earnings in Foreign Currency: - 838.02 (Rs. in lacs)

36. Related Parties Disclosure: -

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given below:

As per Accounting Standard 18, issued by the Chartered Accountants of India, The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships: -

Sr. No.	Nature of Relationship	Name of the Parties
1.	Key Managerial personnel (KMP)	1. Hitesh Dudhagara 2. Pragjibhai Dudhagara 3. Ronak Hitesh Dudhagara 4. Hiren Jamanbhai Patoriya 5. Dipesh Pravinchandra Pala 6. Kaushik K Dudhagara 7. CS Hetal Vachhani

Transaction during the current financial year with related parties:-

(Rs. In Lakh)

Sr. No.	Name Of related Parties	Nature of relation	Nature of Transaction	O/s at the beginning Receivable / (Payable)	Amount Debited	Amount Credited	O/s at the End Receivable / (Payable)
1.	Pragjibhai M Patel	Whole Time Director	Director Remuneration	(0.95)	5.75	4.80	-
2.	Hitesh Pragajibhai Dudhagara	Chairman & Managing Director	Director Remuneration	(0.03)	9.04	9.01	-
3.	Hetal P Vacchani	Company Secretary & Compliance Officer	Salary	-	1.82	1.82	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.	Ronak Hitesh Dudhagarar	Director	Director Remuneration	(0.20)	4.40	4.20	-
5.	Hiren Jamanbhai Patoriya	Chief Financial Officer	Salary	-	0.76	0.76	-

**37. Deferred tax Assets and Liabilities are as under:-
Components of which are as under:-**

Particulars	(Rs. In Lakh)	
	Amount (Rs.) 31-3-2022	Amount (Rs.) 31-3-2021
<i>Deferred Tax</i>		
<i>Block of assets (Depreciation)</i>	8.35	9.25
<i>Net Differed Tax Liability/(Asset)</i>	2.17	2.40

38. Earnings Per Share

Particulars	Year Ended on 31 st March, 2022 (Figures In Lakhs)	Year Ended on 31 st March, 2021 (Figures In Lakhs)
	Profit / (Loss) after tax attributable to Equity Shareholders (A)	34.68
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	31.73	31.73
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	1.09	1.96

39. Corporate Social Responsibility (CSR)

The section 135 (Corporate social responsibility) of companies act, 2013 is not applicable to the company.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Notes forming part of accounts in relation to Micro and small enterprise

1. Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act, 2013 with regard to the payments made/due to Micro and small Enterprises are given below :

Sr. No.	Particulars	Year Ended on 31 st March 2022		Year Ended on 31 st March 2021	
		Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
ii	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
iii	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
Iv	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

41. Title deeds of immovable Property

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/ director or employee of promoters / director of the company, hence same are held in the name of the company.

42. Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties:-

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

43. Compliance with approved Scheme(s) of Arrangements

The Company does not have made any arrangements in terms of section 230 to 237 of companies act 2013, and hence there is no deviation to be disclosed.

44. Utilization of Borrowed funds and share premium:-

As on March 31, 2022 there is no unutilized amount in respect of any issue of securities and long term borrowings from bank and financial institutions. The borrowed funds have been utilized for the specific purpose for which the funds were raised.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Ratios Analysis:-

Ratio	Numerator	Denominator	As at 31 st March, 2022	As at 31 st March, 2021	% of change in Ratio	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	4.36	9.00	(51.54%)	Due to increase in Trade Payables
Debt Equity Ratio	Debt capital	Shareholder's Equity	-	-	-	-
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int.+Principal)	-	-	-	-
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.11	0.20	(44.09%)	Due to less profit.
Inventory Turnover Ratio	Sales	Average Inventory	120.89	5.61	2056.78 %	Due to change in business policy.
Trade Receivables turnover ratio	Net Sales	Closing trade receivables	1.67	2.24	(25.36%)	Due to lesser revenue
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses + Closing Inventory-Opening Inventory)	Closing Trade Payables	10.50	52.83	(80.12%)	Due to Trade Payables have not been due as on Balance sheet date.
Net capital turnover ratio	Sales	Working capital (CA-CL)	1.79	2.18	(17.66%)	-
Net profit ratio	Net Profit	Sales	0.02	0.03	(33.42%)	Due to post COVID-19 effect
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.05	0.10	(48.41%)	Due to post COVID-19 effect
Return on investment	Net Profit	Investment	-	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46. Shares Held By Promoters At the End of the Year

Sr. No.	Promoter Name	No. Of Shares 2021-22	% Of Total Shares	No. Of Shares 2020-21	% Of Total Shares	% Changes During The Year
1	RONAK HITESH DUDHAGARA	3,16,270	9.97%	3,16,270	9.97%	0.00%
2	PRAGJIBHAI MEGHJIBHAI PATEL	4,71,349	14.86%	4,71,349	14.86%	0.00%
3	HITESH PRAGAJIBHAI DUDHAGARA	11,71,670	36.93%	11,71,670	36.93%	0.00%





STATEMENT OF ACCOUNTING RATIOS

Particulars	Based on Audited Financial Statements	Based on Audited Financial Statements
	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Net Worth (₹ Lakhs)	910.73	874.96
Profit attributable to the owners of the equity	34.68	62.04
Number of the shares outstanding at the end of the year	31,72,769	31,72,769
Basic earnings per share (₹)	1.09	1.96
Diluted earnings per share (₹)	1.09	1.96
Return on Net Worth (%)	3.81	7.09
Net Asset Value per Equity Share (₹)	28.70	27.58
EBITDA (₹ in Lakhs)	47.06	87.65

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit 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 year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation, exceptional items as presented in the statement of profit and loss in the Financial Statements.



STATEMENT OF MATERIAL DEVELOPMENTS AFTER MARCH 31, 2022

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of our Company had, at its meeting held on November 14, 2022 approved the audited financial statements for the Financial Year ended on September 30, 2022.



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 2022 and Fiscal 2021 and our Unaudited Financial Results as of and for Half Year Ended September 30, 2022 and corresponding Half Year ended September 30, 2021 included in this Letter of Offer, all prepared in accordance with Indian GAAP. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Sprayking Agro Equipment Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “Financial Statements” for the period ended on Financial Years 2022, 2021 and our Unaudited Financial Results as of and for Half Year Ended September 30, 2022 and corresponding Half Year ended September 30, 2021 included in this letter of offer beginning on page 66.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company currently is currently in business of Trading and Exporting of Brass items like brass sanitary fitting, Brass agriculture item. Our Registered office is located at Plot No 237/B Shop no. 4, GIDC, Phase II, Dared, Jamnagar-361005.

For further details, please refer to the chapter titled ‘Our Business’ beginning on page 56of this LoF.

FINANCIAL PERFORMANCE

The financial performance of our Company for the year ended on as on March 31, 2022, March 31, 2021, Half Year Ended as on September 30, 2022 and Half Year Ended as on September 30, 2021 is as follows:

(₹ in Lakhs)

Particulars	Half Year ended September 30,2022	Half Year ended September 30,2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations	594.07	262.40	1561.93	1860.19
EBITDA	23.89	16.30	49.41	144.19
Profit/ (loss) after tax from continuing operation	8.67	-	34.68	62.04
Profit/ (loss) after tax from discontinuing operation	-	-	-	-
Profit/ (loss) from continuing and discontinuing operation	8.67	16.30	34.68	62.04

FACTORS AFFECTING OUR RESULTS OF OPERATIONS



Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 18 beginning of this Letter of Offer

Our Company’s future results of operations could be affected potentially by the following factors:

1. Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Audience’s taste and behaviour;
4. Inability to successfully obtain registrations in a timely manner or at all;
5. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
6. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
7. Our failure to keep pace with rapid changes in entertainment sector;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to attract, retain and manage qualified personnel;
12. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Our ability to expand our geographical area of operation.

SIGNIFICANT ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 66 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2022, 2021 and Unaudited Financial Results as of and for half Year Ended September 30, 2022 and corresponding half year ended September 30, 2021

CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 66 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2022 and 2021 and Unaudited Financial Results as of and for half Year Ended September 30, 2022 and corresponding half year ended September 30, 2021

COMPONENTS OF INCOME AND EXPENDITURE

Total Revenue

Our total revenue is divided into revenue from exporting and domestic sales of brass fitting parts and scraps.

Total Expenses

Our total expenses comprise of Cost of material consumed, Change in inventories, Employee benefit expenses, Finance cost, Depreciation, Other expenses.

Cost of material consumed

Cost of material consumed mainly consists of purchases of Brass fitting parts, scraps, brass extrusion rods, valve parts and machinery parts.

Change in Inventories

Our change in inventories comprise of change in opening and closing of raw material.

Employee benefit expenses



Employee benefit expenses comprises of salaries, wages and provident fund.

Finance cost

Finance cost comprises of interest on borrowings and other cost.

Other Expenses

Other expenses majorly comprise of Subcontracting expenses, freight, Audit fees, Legal & Professional Fees, Travelling, advertisement and Vehicle expenses etc.

Taxation

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Audited Financial Statements of our Company for the financial years ended March 31, 2022 and 2021 and our Unaudited (Reviewed) Financial Results as of and for the Half Year ended September 30, 2022 and corresponding Half Year ended September 30, 2021:

(₹ in Lakhs)

Particulars	Half Year ended September 30, 2022		Half Year ended September 30, 2021		For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	Amount in ₹ Lakhs	% of Total Revenue	Amount in ₹ Lakhs	% of Total Revenue	Amount in ₹ Lakhs	% of Total Revenue	Amount in ₹ Lakhs	% of Total Revenue
I. Revenue from operations	594.07	97.40%	262.40	97.69%	1561.93	97.65%	1860.19	90.72%
II. Other Income	15.84	2.60%	6.20	2.31%	37.59	2.35%	190.20	9.28%
III. Total Revenue (I +II)	609.91	100.00%	268.60	100.00%	1599.52	100.00%	2050.39	100.00%
IV. Expenses								
Cost of materials consumed	576.81	94.57%	237.34	88.36%	1448.47	90.56%	1220.13	59.51%
Purchase of Stock In Trade		-	-	-	-	-	-	-
Change in Inventory of finished goods, WIP & Stock In Trade	(31.44)	(5.15%)	(1.76)	(0.66%)	(13.43)	(0.84%)	554.59	27.05%
Employee Benefits expense	12.34	2.02%	11.25	4.19%	26.05	1.63%	32.72	1.60%
Finance Costs	1.40	0.23%	(0.41)	(0.15%)	0.38	0.02%	40.14	1.96%
Depreciation and amortization expense	3.12	0.51%	0.41	0.15%	1.97	0.12%	16.40	0.80%
Other expenses	28.13	4.61%	5.46	2.03%	89.01	5.56%	98.76	4.82%
Total Expenses	590.54	96.82%	252.29	93.93%	1552.45	97.06%	1962.74	95.73%
V. Profit before Prior Period Items & Tax (III –IV)	19.37	3.18%	16.30	6.07%	47.06	2.94%	87.65	4.72%
VI. Prior Period Expense	-	-	-	-	-	-	-	-
VII. Profit after prior period items before tax (V-VI)	19.37	3.18%	16.30	6.07%	47.06	2.94%	87.65	4.72%
VIII. Tax expenses								
a. Current tax	10.40	1.71%	4.24	1.58%	12.15	0.76%	22.00	1.07%
b. Deferred tax	0.30	0.05%	-	-	0.23	0.01%	3.61	0.18%



IX. Profit /Loss for the period (VII-VIII)	8.67	1.42%	12.07	4.49%	34.68	2.17%	62.04	3.03%
--	------	-------	-------	-------	-------	-------	-------	-------

Comparison of Financial Results as of and for Half Year Ended September 30, 2022 compared with Half Year Ended September 30, 2021

Total Revenue

Our total revenue, which comprised of revenue from operations and other income, for the half year ended as on September 30, 2022, was ₹ 609.91 lakhs as compared to ₹ 268.60 lakhs for the half year ended as on September 30, 2021, representing increase of 127.07%.

Revenue from Operations

Our revenue from operations for the half year ended as on September 30, 2022 was ₹ 594.07 lakhs as compared to ₹ 262.40 lakhs for half year ended as on September 30, 2021, representing decrease of 126.40 %. This increase was primarily due to increase in sales and demand of our products.

Other Income

Our other income for the half year ended as on September 30, 2022 was ₹ 15.84 lakhs as compared to ₹ 6.20 lakhs for the period ended September 30, 2021, representing increase of 155.48%.

Expenditure

Our total expenditure for half year ended as on September 30, 2022 was ₹ 590.54 lakhs as compared to ₹ 252.29 lakhs for the half year ended as on September 30, 2021, representing a increase of 134.07%.

Cost of Material Consumed

Cost of material consumed for half year ended as on September 30, 2022 was ₹ 576.81 lakhs as compared to ₹ 237.34 lakhs for the half year ended as on September 30, 2021, representing an increase of 143.03 %. This was due to increase in business activity resulting in higher cost of material consumed as compared to previous year.

Change in Inventory of Finished goods, WIP & Stock In Trade

Changes in inventory of finished goods, WIP & Stock in Trade for half year ended as on September 30, 2022 was ₹ (31.44) lakhs as compared to ₹ (1.76) lakhs for half year ended as on September 30, 2021, representing an increase of 1686.36%.

Employee Benefit Expenses

Employee Benefit expenses for half year ended as on September 30, 2022 was ₹ 12.34 lakhs as compared to ₹ 11.25 lakhs for half year ended as on September 30, 2021, representing increase of 9.69%. This was primarily due to increase in salaries paid to manpower.

Finance Costs

Finance costs for half year ended as on September 30, 2022 was ₹ 1.40 lakhs as compared to ₹ (0.41) lakhs for the half year ended as on September 30, 2021, representing decrease of (441.46) %.

Depreciation and amortization expenses

Depreciation and amortization expenses for half year ended as on September 30, 2022 was ₹ 3.12 lakhs as compared to ₹ 0.41 lakhs for half year ended as on September 30, 2021, representing an increase of 660.98 % due to purchase of machinery.



Other expenses

Other expenses for half year ended as on September 30, 2022 was ₹ 28.13 lakhs as compared to ₹ 5.46 lakhs for the half year ended as on September 30, 2021, representing an increase of 415.20 %. This increase was due to increase in Legal & Professional Fees, Subcontracting expenses and Freight and forwarding expenses.

Profit before Tax

Profit Before Tax for the half year ended as on September 30, 2022 was ₹ 19.37 lakhs as compared to ₹ 16.30 lakhs for the half year ended September 30, 2021, representing an increase of 18.83 %.

Profit after Tax

Profit After Tax for the half year ended as on September 30, 2022 was ₹ 8.67 lakhs as compared to ₹ 12.07 lakhs for the half year ended as on September 30, 2021, representing an increase of 28.17 %.

Comparison of Financial Year Ended March 31, 2022 with Financial Year Ended March 31, 2021

Total Revenue

Our total revenue, which comprised of revenue from operations and other income, for the financial year ended March 31, 2022 was ₹ 1599.52 lakhs as compared to ₹ 2050.39 lakhs for the financial year ended March 31, 2021, representing an decrease of (21.99)%

Revenue from Operations

Our revenue from operations for the year ended March 31, 2022 was ₹ 1561.93 lakhs as compared to ₹ 1860.19 lakhs for the Year ended March 31, 2021, representing an decrease of (16.03)% due to decrease in sales of agricultural parts.

Other Income

Our other income for the year ended March 31, 2022 was ₹ 37.59 lakhs as compared to ₹ 190.20 for the Year ended March 31, 2021, representing an decrease of (80.24)%. Other income of previous year includes profit on sale of fixed assets.

Expenditure

Our total expenditure was ₹ 1194.83 lakhs for the year ended March 31, 2022 as compared to ₹ 1041.37 lakhs for the Year ended March 31, 2021, representing an increase of 14.74%

Cost of Material Consumed

Cost of material consumed for the year ended March 31, 2022 was ₹ 1448.47.47 lakhs as compared to ₹ 1220.13 lakhs for the Year ended March 31, 2021, representing an increase of 18.71%. This was due to increase in business activity resulting in higher purchase of brass and scrap material.

Change in Inventory of Finished goods, WIP & Stock In Trade

Change in inventory of Finished goods, WIP & Stock in Trade for the year ended March 31, 2022 was ₹ (13.43) lakhs as compared to ₹ 554.59 lakhs for the Year ended March 31, 2021, representing an decrease of 102.42%.

Employee Benefit Expenses

Employee Benefit expenses for the Year ended for the year ended March 31, 2022 was ₹ 26.05 lakhs as compared to ₹ 32.72 lakhs for the Year ended March 31, 2021, representing a decrease of (20.39)%. This was primarily due to decrease in manpower expenses.



Finance Costs

Finance costs for the Year ended for the year ended March 31, 2022 was ₹ 0.38 lakhs as compared to ₹ 40.14 lakhs for the Year ended March 31, 2021, representing a decrease of (99.05)% due to no interest cost incurred during the year.

Depreciation and amortization expenses

Depreciation and amortization expenses for the year ended March 31, 2022 was ₹ 1.97 lakhs as compared to ₹ 16.40 lakhs for the Year ended March 31, 2021, representing a decrease of (87.99)%.

Other expenses

Other expenses for the year ended March 31, 2022 was ₹ 89.01 lakhs as compared to ₹ 98.76 lakhs for the Year ended March 31, 2021, representing a decrease of (9.87)%. This decrease was due to fall in Subcontracting Expenses.

Profit before Tax

Profit Before Tax for year ended March 31, 2022 was ₹ 47.06 lakhs as compared to ₹ 87.65 lakhs for the Year ended March 31, 2021, representing a decrease of (46.31)%. This decrease was due to increase in cost of material consumed during the year.

Profit after Tax

Profit after Tax for year ended March 31, 2022 was ₹ 34.68 lakhs as compared to ₹ 62.04 lakhs the Year ended March 31, 2021, representing a decrease of (44.01)%. This decrease was due to impact of decrease in revenue and increase in cost of products.



SECTION VIII – OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is in excess of Rs. 10,00,000 (Ten Lakhs only) or 5% of Net Profits after Tax of the Company, whichever is lower for the immediately preceding financial year ("**Materiality Threshold**") or above.*

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; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre – litigation notices received by our Company 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) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

- A. As on the date of LoF there are no pending matters which could result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer.
- B. Matters which are pending:

LITIGATION INVOLVING OUR COMPANY

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Company except as follows:

1. LITIGATIONS AGAINST OUR COMPANY

Criminal Proceeding involving moral turpitude or criminal liability against our Company

Nil

Proceedings involving material violations of Statutory/Regulatory Authority by our Company

Nil

Economic offences where proceedings have been initiated against our Company

Nil

Other Proceeding against our Company including matters which are considered material as per Materiality Policy

Nil

Tax Proceedings



Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

Particulars	Number of cases	Amount involved(₹ in lakhs)
<i>Indirect Tax</i>		
GST	Nil	Nil
Central Excise	1	1,155.62
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	01	1,155.62
<i>Direct Tax</i>		
Appeal filed against the order passed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
Total	Nil	Nil

2. LITIGATIONS BY OUR COMPANY

Criminal proceedings

Nil

Civil and other material litigations

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.



GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required continue our business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 42 of this Letter of Offer.



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue has been authorised by a resolution of our Board of Directors passed at their meeting held on August 17, 2022, pursuant to clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act.

The Board of Directors, at its meeting held on January 27, 2023, determined the Issue Price as ₹ 44/-per Rights Equity Share and the Rights Entitlement as 1 (One) Rights Equity Share(s) for every 1 (One) Equity Share(s) held on the Record Date, i.e., February 02, 2023. The Issue Price of ₹ 44/-per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to the determination of the Record Date.

This Letter of Offer has been approved by our Board of Directors, at meeting held on January 27, 2023;

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letter bearing reference number DCS/RIGHT/VJ/FIP/2981/2022-23 dated January 03, 2023 issued by BSE. Our Company will also make applications to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE537U20011 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "Terms of the Issue" on page 131 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group, our Directors have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority as on the date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the securities markets

None of our Directors are associated with the securities market in any manner.

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules 2018.

Eligibility of the Issue



1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the SME Platform of BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue and has received the In-Principle approvals for listing of Rights Equity Shares to be issued pursuant to this the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares and has received the In-Principle approvals for listing of Rights Equity Shares to be issued pursuant to this the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of 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 (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors 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, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

Disclaimer Clause of SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs. As required, a copy of the Letter of Offer will be submitted to SEBI.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accepts no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by 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.

Cautions



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 Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This 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 Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This 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 Gujarat, India only

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE Limited. BSE Limited (“the Exchange”) has given vide its letter dated January 03, 2023, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
2. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter (“**Issue Materials**”) and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in



certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company/Registrar.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Issue Material 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 has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this 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 delivery 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. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements 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 and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; 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 and/ or Rights Entitlements in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “Securities Act”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Legal Advisor, Lead Manager, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated November 24, 2022 from our Statutory Auditor, namely, M/s. DGMS & Co., Chartered Accountants for inclusion of their (i) report dated November 24, 2022, on the Audited Financial Information in this Letter of Offer, (ii) the Unaudited Financial Statements of the Company for the half yearly financial ended September 30, 2022 (iii) report dated November 24, 2022 to include their name in this Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated November 24, 2022, in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated November 24, 2022 from our Statutory Auditor to include their name as required in this Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 on the Financial Information and the Statement of Tax Benefits dated November 24, 2022 and such consent has not been withdrawn as of the date of this Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.



Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer was filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. 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 also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

1. Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400 093

Contact Details: +91-022-62638200;

E-mail ID: rightsissue@bigshareonline.com;

Investor grievance e-mail: investor@bigshareonline.com;

Website: www.bigshareonline.com;

Contact Person: Vijay Surana

SEBI Registration Number: INR000001385

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

Company Secretary & Compliance Officer

Hetal Vachhani

Address: Plot no. 237/b, Shop No. 4, GIDC, Phase II, Dared, Jamnagar – 361005, Gujarat.

Telephone: +91 9727573318

Email: Spraykingagro@yahoo.com



SECTION IX – ISSUE RELATED 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.

Investors are requested to note that application in this Issue can only be made through ASBA.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI-Rights issue Circular”), all investors (including renounce) shall make an application for a rights issue only through ASBA facility.

This Issue is proposed to be undertaken on the rights basis, are subject to the terms and conditions contained in 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 of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, 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, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least 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 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 Right 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 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 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.

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 Right Shares under applicable securities laws) on the websites of:

- a. Our Company’s website at www.spraykingagro.com
- b. Registrar to the Issue’s website at www.bigshareonline.com
- c. BSE Limited’s website at www.bseindia.com;
- d. Lead Manager i.e. Aryaman Financial Services Limited at www.afsl.co.in.
- e. Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue’s website at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.spraykingagro.com

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible.



Please note that, our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this 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 and as permitted under the 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, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the 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 redistributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 141 of this Letter of Offer.

a. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches 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 an 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 applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled 'Procedure for Application through the ASBA Process' on page 141 of this Letter of Offer.



Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, 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*”.

b. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form;
- b. A demat suspense escrow account (namely, ‘SPRAYKING AGRO EQUIPMENT LIMITED-UNCLAIMED SECURITIES SUSPENSE ACCOUNT’) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. 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
 - iv. Credit of the Rights Entitlements returned/ reversed/ failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.
 - vi. Eligible Equity Shareholders who have not provided their Indian addresses.
- vii. 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

Eligible Shareholders as on Record Date 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 to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by February 20, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an



intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, 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.bigshareonline.com 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.spraykingagro.com

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com;
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: rightsissue@bigshareonline.com;
3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form rightsissue@bigshareonline.com;
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com;

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Board of Directors in its meeting dated August 17, 2022 has authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors in their meeting held on January 27, 2023 have determined the Issue Price at ₹ 44 per Equity Share and the Rights Entitlement as one Rights Equity Share(s) for every one fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated January 03, 2023

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible 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 at the close of business hours on the Record Date i.e. February 02, 2023.

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form may be entitled to subscribe to the number of Right Shares as set out in the Rights Entitlement Letter.



Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.bigshareonline.com; by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at www.spraykingagro.com

Rights Entitlements shall be credited to the respective demat accounts of Eligible 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 shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to 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. 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 9 of this Letter of Offer

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹10.00 (Rupees Ten Only).

2. Issue Price

Each Rights Equity Share is being offered at a price of ₹ 44 (Rupees Forty Four only) per Rights Equity Share (including a premium of ₹ 34 (Rupees Thirty Four only) per Rights Equity Share) in this Issue.

The Issue Price for Right 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, i.e.. February 02, 2023

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of 1 Rights Equity Share(s) for every 1 fully paid up Equity Share(s) held by the Eligible Shareholders as on the Record Date, i.e. February 02, 2023

4. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible 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, see 'Procedure for Renunciation of Rights Entitlements' on page 141 of this Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

5. Terms of Payment

The entire amount of the Issue Price of Rs. 44/- per Equity Share shall be payable at the time of Application.

6. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a) The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b) A demat suspense escrow account (namely, 'SPRAYKING AGRO EQUIPMENT LIMITED- RIGHTS ISSUE ESCROW ENTITLEMENT ACCOUNT') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. 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
 - iv. Credit of the Rights Entitlements returned/ reversed/ failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
 - vi. 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.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE537U20011. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by February 20, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible 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.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible 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 Shareholders can be accessed by such respective Eligible 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 I.E., FEBRUARY 20, 2023 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 141 OF THIS LETTER OF OFFER.

7. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of One Right Shares for every One Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Share(s) or not in the multiple of 1, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 1 (One) Equity Shares, such Equity Shareholder will be entitled to 1 (One) Rights Equity Share(s) 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 Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

8. Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

9. 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.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements



In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under ISIN INE537U20011. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The 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 6000 Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from February 13, 2023 to February 14, 2023 (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 Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see 'Procedure for Renunciation of Rights Entitlements – On Market Renunciation' and 'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation' on page 145 of this Letter of Offer.

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.

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right 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 DCS/RIGHT/VJ/FIP/2981/2022-23 dated January 03, 2023. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE Limited under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code '540079' under ISIN 'INE537U01011'. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Right 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 BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Right 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 eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12. 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, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' on page 39 of this Letter of Offer.

13. Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. 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 Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 6000 Equity Shares.

2. 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 Right Shares offered in this Issue.

3. Nomination

Nomination facility is available in respect of the Right 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 dematerialized form, there is no need to make a separate nomination for the Right Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

4. Arrangements for Disposal of Odd Lots

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.



5. 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 (LODR) 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 affected unless the securities are held in the dematerialized form with a depository.

6. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Issue Materials only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right 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 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 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.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible 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 Shareholders have not provided their email 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 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 Gujarati language daily newspaper with wide circulation (Gujarati 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 Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE 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 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of 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 Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on rightsissue@bigshareonline.com physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. 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 Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the 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. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common 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 and the Lead Manager and the Stock Exchange. 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 their patriation 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.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date ,i.e. February 02, 2023 see “-Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 141 of this Letter of Offer

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 Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to

- i. E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- ii. Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- iii. Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- iv. E-mail addresses of foreign corporate or institutional shareholders.

The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company, the Lead Manager or Stock Exchange. In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.



In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.bigshareonline.com; 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 Right Shares under applicable securities laws) from the websites of:

- a. Our Company at www.spraykingagro.com;
- b. The Registrar at www.bigshareonline.com;
- c. The Lead Manager at www.afsl.co.in;
- d. The Stock Exchange at www.bseindia.com

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.spraykingagro.com.

The Application Form can be used by the Eligible Shareholders as well as the Renounees, to make Applications in this Issue on the basis of 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 Shareholders 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 Right 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 Right 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 authorizing such SCSB to block Application Money payable on the Application in the irrespective ASBA Accounts
- ii. **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:

- a) 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;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.



Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 141 of this Letter of Offer. 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 an Application that is available on the website of the Registrar, Stock Exchanges, and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible 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 141 of this Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for 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 authorization 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 bearing reference number '*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.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:



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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 141 of this Letter of Offer.

ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1(One) Rights Equity. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 131 of this Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares

Resident Eligible Shareholders whose dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Right Shares while submitting the Application through ASBA process.

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. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

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.

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 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.

1. 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 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 6000 Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from February 13, 2023 to February 14, 2023 (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 INE537U20011 (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 BSE under automatic order matching mechanism and on 'T+2' rolling settlement bases, 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.

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

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. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing 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. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights



Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- a) Name of our Company, being '***Sprayking Agro Equipment Limited***';
- b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- c) Registered Folio No./DP and Client ID No.;
- d) Number of Equity Shares held as on Record Date;
- e) Allotment option – only dematerialized form;
- f) Number of Right Shares entitled to;
- g) Total number of Right Shares applied for;
- h) Number of additional Right Shares applied for, if any;
- i) Total number of Right Shares applied for;
- j) Total amount paid at the rate of ₹ 44 /- for Right Shares issued in one Rights Entitlement;
- k) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- l) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- m) 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 Right Shares applied for pursuant to this Issue;
- n) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- p) In addition, all such Eligible Shareholders 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 Managers 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 Managers 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 (hereinafter referred to as '**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 Managers, 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.bigshareonline.com.

I/ We acknowledge that 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

1. ASBA facility;

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility

In case of Application through 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 in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar,



pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The 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. After 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.

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 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. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar of our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

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, i.e. February 02, 2023 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 no later than two Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Common Application Form from:
 - Our Company (www.spraykingagro.com)
 - Registrar to the Issue (www.bigshareonline.com)
 - the Lead Manager (www.afsl.co.in)
 - 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 www.bigshareonline.com 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.spraykingagro.com)

d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common 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.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. FEBRUARY 02, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

- I. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
- II. Please read the instructions on the Application Form sent to you;
- III. The Application Form can be used by both the Eligible Shareholders and the Renounees;
- IV. Application should be made only through the ASBA facility;
- V. 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 Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
- VI. 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 processes*' on page 141 of this Letter of Offer;
- VII. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- VIII. 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.
- IX. 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Please note that the applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange,
- X. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
- XI. 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;
- XII. 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 Right Shares pursuant to this Issue shall be made into the accounts of such Investors;
- XIII. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand 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;
- XIV. 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;
- XV. 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;
- XVI. All communication in connection with Application for the Right Shares, including any change in address of the Eligible 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 Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
- XVII. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘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;
- XVIII. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 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;
- XIX. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
- XX. 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:

1. 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;
2. 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;
3. 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;
4. 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:



1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. 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;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized 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;
5. 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;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;



Don'ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. 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);
9. 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;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;



14. 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;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right 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) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; 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 Right Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING 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 TO RECEIVE THEIR RIGHT SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.



The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed 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 Right Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. **In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.**

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common 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 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 Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

- i. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Common 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 Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only 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 or who are located in jurisdictions where the offer and sale of the 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 and in each case who make a request in this regard.

- ii. Common 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.
- iii. 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

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Right Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;
- (iii) 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;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right 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;
- (v) 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;
- (vi) Non-resident Renounees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will 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, see '**Procedure for Applications by Mutual Funds**' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements 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.



LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is February 20, 2023, Monday, i.e., Issue Closing Date. The Board of Directors 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 Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, '**Basis of Allotment**' on page 141 of this Letter of Offer.

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 BSE Limited.

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 facility. However, no Investor, whether applying through ASBA facility may withdraw their Application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	Friday February 17, 2023
Issue Opening Date	Monday February 13, 2023
Last Date for On Market Renunciation*	Tuesday February 14, 2023
Issue Closing Date	Monday February 20, 2023
Finalisation of Basis of Allotment (on or about)	Tuesday February 28, 2023
Date of Allotment (on or about)	Tuesday February 28, 2023
Date of Credit (on or about)	Wednesday March 01, 2023
Date of Listing (on or about)	Thursday March 02, 2023

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

Our Board of Directors may however decide 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).

BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renounee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply



for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right 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.

3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right 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 Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right 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.
4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right 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.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) 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 Right Shares in this Issue, along with:

- a) 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;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through 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 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 oversubscription or failure to list or otherwise would be done through any of the following modes

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as '**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.
3. National Electronic Fund Transfer (hereinafter referred to as '**NEFT**') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as '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.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. 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.
6. 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 favour of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

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 SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible 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 RIGHT 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 (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be allotted the Right Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Right 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 Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders 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 Right 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 Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. 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 -Offer 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 re-classified 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.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer 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 Shares held by it that are listed or proposed to be listed on any recognized 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 (iv) 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: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) 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.

2. 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. Otherwise, applications of such AIFs are liable for rejection.

3. 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 recognized 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 the 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 issuance of the Right Shares to Restricted Investors will also require a 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 of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. 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.

5. 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 Shares; 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 Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares 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 stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights 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.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on 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:

- a) All monies received out of this Issue shall be transferred to a separate bank account.
- b) Details of all monies utilized out of this Issue referred to under (a) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and.
- c) Details of all unutilized monies out of this Issue referred to under (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the 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 BSE Limited, where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount 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



Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4(four) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer was not filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rs. Fifty Crores.

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principle approval.

However, a copy of this Letter of Offer will be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: cfddil@sebi.gov.in

IMPORTANT

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights 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 '*SPRAYKING AGRO EQUIPMENT LIMITED – RIGHT ISSUE*' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED

Office S6-2, 6th floor Pinnacle Business Park

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400093

Tel No.: +91 22 6263 8200

Fax No.: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Vijay Surana

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

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.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022-62638222.

3. This Issue will remain open for a minimum 7 (seven) days. However, the Board of Directors 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 Closing 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 way 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 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 (formerly known as the Department of Industrial Policy and Promotion)(“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

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 the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (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, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.



MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at www.spraykingagro.com from the date of this Letter of Offer until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated November 24, 2022 between our Company and Lead Manager
2. Registrar Agreement dated November 24, 2022 between our Company and the Registrar to the Issue;
3. Bankers to the Issue Agreement dated January 09, 2023 among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue;

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Sprayking Agro Equipment Limited.
3. Resolution passed by our Board of Directors dated August 17, 2022 authorizing the Issue.
4. Resolution of our Board of Directors dated November 24, 2022 approving and adopting this Letter of Offer.
5. Resolution of our Board of Directors dated January 27, 2023, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
6. Consents of our Directors, Lead Manager, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
7. Copies of Annual Reports of our Company for Fiscals 2022 and 2021.
8. Report on Statement of Special Tax Benefits dated September 30, 2022 for our Company from the Statutory Auditors of our Company;
9. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue.
10. Tripartite Agreement between our Company, National Securities Depository Limited (NSDL) and Registrar to the Issue.
11. In-principle approval issued by BSE Limited dated January 03, 2023;



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 notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

SD/-

Hitesh Pragajibhai Dudhagara
Managing Director

SD/-

Pragajibhai Meghajibhai Patel
Whole – Time Director

SD/-

Ronak Hitesh Dudhagara
Executive Director

SD/-

Sandip Bhaskerrai Pandya
Additional Non – Executive Independent Director

SD/-

Kaushik K Dudhagara
Non – Executive Independent Director

SIGNED BY OUR CHIEF FINANCIAL OFFICER

SD/-

Hiren Patoriya

Date: Friday, January 27, 2023

Place: Jamnagar, Gujarat