

**COMPLIANCE CERTIFICATE**

(Pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 including any amendment/modification thereof)

To,  
**The Members,**  
**SANGHI INDUSTRIES LIMITED**  
Sanghinagar P O,  
Hayath Nagar Mandal,  
R.R. District, Hyderabad-501511,  
Telangana.

Dear Member(s),

**Sub: Certificate of Practicing Company Secretary in respect of compliance of provision of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended in relation to proposed preferential issue of 73,26,000 Equity Shares by Sanghi Industries Limited.**

I, Umesh Parikh, partner of Parikh Dave & Associates, Practicing Company Secretaries, having office at 5-D, 5th Floor, Vardan Exclusive, Next to Vimal House, Nr. Stadium Petrol Pump, Navrangpura, Ahmedabad – 380014, Gujarat have been appointed by the Board of Directors of **Sanghi Industries Limited** to certify that, the proposed preferential issue of 73,26,000 Equity Shares to the following proposed allottee, is in compliance with the requirements of "Chapter V -Preferential Issue" of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [SEBI (ICDR) Regulations] and the applicable provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder, subject to shareholders' approval.

<b>Sr. No.</b>	<b>Name of the Proposed Allottee</b>	<b>Category</b>	<b>Number of Equity shares to be issued</b>
1.	Thinkfar Tradelink Private Limited	Promoter Group	73,26,000

As per requirement of Regulation 163(2) of the SEBI (ICDR) Regulations this certificate is required to place before the Extra-Ordinary General Meeting of the Shareholders to be held on Thursday, December 29, 2022.

**Managements' Responsibility**

The compliance with the aforesaid and relevant SEBI (ICDR) Regulations and the Act for the preferential issue of equity shares and preparation of the Notice convening Extra-Ordinary General Meeting, including its content is the responsibility of the management of the Company.

This responsibility includes the design, implementation, maintenance of and adherence to the internal controls relevant to the preparation and maintenance of the relevant records and providing all relevant information. Also, this responsibility includes ensuring that the relevant records provided to me for my examination are correct and complete.

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The management is also responsible for providing all relevant information to SEBI and/or stock exchange(s).

The said preferential issue, does not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company to the allottees acting in concert hence the requirement of taking a Valuation Report from an Independent Registered Valuer for determining the price does not arise.

### **Practicing Company Secretary's Responsibility**

Pursuant to the requirements of Regulation 163(2) of Chapter V of the SEBI (ICDR) Regulations, as amended, it is my responsibility to provide limited assurance that the proposed preferential issue of equity shares to the proposed allottee as mentioned above, are being made in accordance with the requirements of "Chapter V-Preferential Issue" of the SEBI (ICDR) Regulations to the extent applicable and applicable provisions of the Act and rules framed thereunder.

On the basis of the relevant management inquiries, necessary representations and information received from/furnished by the management of the Company, as required under the aforesaid Regulations, I have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue, more specifically, the following:

1. Reviewed and verified the certified true copy of the resolution passed by Board of Directors of the Company at their meeting held on Saturday, 3rd December, 2022 approving issuance of up to 73,26,000 Equity shares to the proposed allottee on preferential basis for cash in accordance with the provisions of SEBI (ICDR) Regulations and other applicable laws, subject to the approval of the Members of the Company.
2. Verified that all the present equity shares are fully paid up.
3. Reviewed and verified the Draft notice convening the Extraordinary General Meeting on Thursday, December 29, 2022, seeking approval of the members of the Company for the preferential issue of up to 73,26,000 Equity shares at an issue price of Rs. 68.25 per Equity Share (including premium of Rs. 58.25 per Equity Share) aggregating upto Rs. 49,99,99,500/- (Rupees Forty Nine Crore Ninety Nine Lacs Ninety Nine Thousand Five Hundred Only).
4. Noted that the Relevant Date is Tuesday, 29th November, 2022, being thirty days prior to the date on which Extraordinary General Meeting to be held.
5. The proposed allottee is not holding any pre-preferential shareholding.
6. With respect to compliance with the minimum issue price for equity shares to be issued on preferential basis and in accordance with sub-regulation (1) of regulation 164 of the aforesaid SEBI Regulations, I have verified that the Articles of Association of the Company do not provide for a method of determination floor price.

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7. The pricing of the Equity Shares to be allotted has been considered in following manner:

The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the preceding ninety trading days prior to the Relevant Date, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations.

The Floor Price of Rs. 68.25/- is determined as per the pricing formula prescribed under SEBI ICDR Regulations for the Preferential Issue of Equity Shares being higher of the following:

- a. 90 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited ('NSE') preceding the Relevant Date: i.e. Rs. 56.13 per Equity Share;
- b. 10 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited ('NSE') preceding the Relevant Date: i.e. Rs. 68.25 per Equity Share.

The issue price is Rs. 68.25 per equity share which is not lower than the floor price determined in compliance with applicable provisions of SEBI (ICDR) Regulations.

8. It is confirmed that the required disclosures as mentioned under Regulation 163(1) of Chapter V of SEBI ICDR Regulations have been duly complied with and mentioned in the explanatory statement to the notice of ensuing Extra-Ordinary General Meeting.
9. On the basis of documents produced before me and undertaking produced by the proposed allottee, I certify that the proposed allottee have not sold/transfer/pledged any Equity Shares of the Company during the period of 90 trading days prior to the Relevant Date i.e. 29th November, 2022 and till the date of execution of this certificate.
10. Verified the Permanent Account Number ("PAN") of Proposed Allottee subscribing to the Preferential Issue from the copy of PAN card.
11. It is confirmed that none of the proposed allottee belonging to promoter(s) or the promoter group is ineligible for allotment in terms of Regulations 159 of SEBI (ICDR) Regulations, 2018.
12. I have enquired with the management of the Company and obtained representation to confirm that the Company has adhered to conditions for continuous listing of equity shares as specified in the listing agreement with the Stock Exchanges.

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**Conclusion**

Based on my examination, as above and the information, explanations and written representation provided to me by the Management and employees of the Company as well as proposed allottees, I hereby state that the proposed preferential issue of Equity Shares is being made in accordance with the requirements of the Chapter V of the SEBI ICDR Regulations to the extent applicable and applicable provisions of the Companies Act, 2013 and rules framed thereunder.

**Restriction of Use**

This Certificate is issued solely for the information and use of the Board of Directors of the Company in connection with the proposed preferential issue of Equity Shares and listing thereof and should not be used by any person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without my prior consent in writing.

**FOR PARIKH DAVE & ASSOCIATES  
Company Secretaries**

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**UMESH PARIKH  
PRACTICING COMPANY SECRETARY  
PARTNER**

**ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020  
FCS No.:4152 C. P. No.: 2413  
UDIN: F004152D002606037**

**Place : Ahmedabad  
Date : December 03, 2022**