

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sildof13032024_final.pdf

(Please refer above link to view the Letter of Offer)

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated July 4, 2024 (“Letter of Offer”) which is available on the websites of the Registrar, our Company and the Stock Exchange where the equity shares of the Company are listed, i.e. BSE Limited (BSE). You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the website of Registrar’s i.e. at www.cameoindia.com and our Company’s website at www.sharatindustries.com, this Abridged Letter of Offer, along with the Rights Entitlement Letter and Application Form, to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“SEBI”), the Stock Exchange and the Registrar, at www.sebi.gov.in, www.bseindia.com and <https://rights.cameoindia.com/sharat> respectively. The Application form is available on the website of our Company and BSE. In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI Rights Issue 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, see “*Procedure for Application through the ASBA Process*” on page 100 of the Letter of Offer.



SHARAT INDUSTRIES LIMITED

Registered office- Venkannapalem Village, T. P. Gudur Mandal, Nellore, Andhra Pradesh- 524 002

Contact person: Mr. Balamurugan M, Company Secretary and Compliance Officer

Telephone: +91 8897628787; E-mail: cs@sharatindustries.com; Website: www.sharatindustries.com

Corporate Identity Number: L05005AP1990PLC011276

PROMOTERS OF OUR COMPANY

MR. PRASAD REDDY SABELLA, MR. SHARAT REDDY SABELLA, MRS. DEVAKI REDDY SABELLA AND MRS. CHARITA REDDY SABELLA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHART INDUSTRIES LIMITED (THE ‘COMPANY’ OR THE ‘ISSUER’) ONLY

DETAILS OF THE OFFER

Type of Issue	Rights Issue Size (in number)	Rights Issue Size	Issue under SEBI (ICDR) Regulations
Rights Issue	1,55,43,125 Equity Shares	₹ 4,818.37* Lakhs <i>*Assuming full subscription</i>	Chapter III of SEBI ICDR Regulations

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 1,55,43,125 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 31 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 21 PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 4,818.37 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 13 RIGHTS EQUITY SHARE(S) FOR EVERY 20 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON JULY 12, 2024 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 3.1 TIMES OF THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 87 OF THIS LETTER OF OFFER.

**Assuming full subscription*

AMOUNT PAYABLE PER EQUITY SHARE (₹)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	2.50	5.25	7.75
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	7.50	15.75	23.25

* For further details on Payment Schedule, see ‘Terms of the Issue’ on page 87 of the Letter of Offer.

Listing Details: The existing Equity Shares of our Company are listed and traded on BSE Limited. Our Company has received In-Principle approval from BSE for listing of the Rights Equity Shares to be allotted pursuant to this issue vide its BSE letter bearing reference number LOD/RIGHT/AB/FIP/258/2023-24 dated May 10, 2024. Our Company will also make application to

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the Stock Exchange to obtain trading approvals for the Right Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE Limited.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer section titled “*Terms of the Issue*” on page 87 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of our Company, SEBI, Stock Exchange and the Registrar as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with clause (1) of Part B of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

The Promoter and members of Promoter group have given their intention to subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

MINIMUM SUBSCRIPTION

The objects of the Issue involves financing other than the financing of capital expenditure for a project. Further, our Promoters and Promoter Group have undertaken that they will subscribe fully to the extent of their rights entitlement and that they shall not renounce any portion of their rights entitlements except to the extent of renunciation within the Promoter and Promoter Group. Accordingly, minimum subscription criteria mentioned under the SEBI ICDR Regulation will not applicable to the Issue.

INDICATIVE TIMETABLE*

Issue Opening Date	Wednesday, July 24, 2024	Date of Allotment (on or about)	Wednesday, August 14, 2024
Last Date for on Market Renunciation #	Tuesday, August 01, 2024	Initiation of Refunds (on or about)	Wednesday, August 14, 2024
Issue Closing Date###	Wednesday, August 07, 2024	Date of Credit (on or about)	Tuesday, August 20, 2024
Finalisation of Basis of allotment with the Designated Stock Exchange (on or about)	Wednesday, August 13, 2024	Date of Listing (on or about)	Thursday, 22 August, 2024

Please note

* *The above time table is indicative and does not constitute any obligation on our Company*

Eligible Shareholders who missed to renounce their right entitlement on or before the last date of the market renunciation, shall make sure to renounce through off-market transfer on or before 5th August 2024 so that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (Inclusive of Issue Opening Date).

Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

The Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to us, 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 physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Further, the Letter of Offer will be provided to those who make a request in this regard.

The Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

NO OFFER IN THE UNITED STATES

The Letter of Offer is being delivered only to investors outside the United States in “offshore transactions” as defined in, and in compliance with, Regulation S. None of the Rights Entitlements or the Rights Equity Shares has been, or will be, registered under the US Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable U.S. state securities laws.

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No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges and submitted to SEBI for information and dissemination. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and Issue Materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

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 the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of Letter of Offer. Investors are advised to refer to “*Risk Factors*” beginning on page 18 of Letter of Offer and Internal Risk Factors on page 18 of this Abridged Letter of Offer, before making an investment in this Issue.

Name of the Registrar to the Issue and contact details	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Chennai-600002 Tel: +91 44 4002 0700 E-mail: rights@cameoindia.com Investor Grievance Email: investor@cameoindia.com Website: www.cameoindia.com / https://rights.cameoindia.com/sharat Contact Person: Ms. K. Sreepriya SEBI Registration No.: INR000003753
Name of the Statutory Auditor	M/s A.R. Krishnan & Associates, Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and is updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the below-mentioned link:- https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.
Banker to the Issue	AXIS BANK LTD No.2, First Cross Street, Lambert Nagar, Opp: CSI Church Virugambakkam, Chennai – 600092 Contact Person: Mr. Kavaskar R, Assistant Vice President Tel: 044 – 23641486 / 8939946122 E-mail: kavaskar.r@axisbank.com

1. SUMMARY OF 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 the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read ‘*Risk Factors*’ beginning on page 18 of the Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition, you should read ‘*Financial Statements*’ beginning on page 68 of the Letter of Offer.

Our Company was incorporated on May 07, 1990 as a Private Limited Company under the provisions of Companies Act, 1956 with the Registrar of Companies, Vijaywada, Andhra Pradesh in the name and style of ‘Sharat Sea Foods Private Limited’. The Company got converted into a Public Limited Company on April 20, 1992 and the Name was changed to ‘Sharat Sea Foods Limited’. Further, the present name of the Company was changed on June 13, 1996, and fresh certificate of incorporation was issued by the Registrar of Companies, Vijaywada, Andhra Pradesh. The Corporate Identity Number of our Company is L05005AP1990PLC011276.

For further details, please refer to the chapter titled “*Our Business*” at page 51 of Letter of Offer.

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2. DETAILS OF OUR PROMOTER

Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
01.	Prasad Reddy Sabbella	Individual	Qualification : Post-graduate in Sociology Experience : A first-generation entrepreneur with nearly 4 decades of experience, he is considered as a visionary in the seafood sector Directorship : Sharat Foods Private Limited [#]
02.	Sharat Reddy Sabbella	Individual	Qualification : Bachelor's Degree in Mechanical Engineering and Master's degree in Industrial Engineering and Operations Research Experience : A decade of experience in the Aquaculture Industry Directorship : United Aquatech Private Limited Sharat Foods Private Limited [#]
03.	Devaki Reddy Sabbella	Individual	Qualification : Master of Arts., Doctor of Philosophy Experience : Nearly 3 decades of experience in the seafood sector Directorship : SSPDL Limited Katyayini Aquatech Private Limited
04.	Charita Reddy Sabbella	Individual	Qualification : Bachelor of Business Administration Experience : Nearly a decade of experience seafood sector Directorship : NIL

[#] Company Strike Off

3. SUMMARY OF OBJECTS OF THE ISSUE AND MEANS OF FINANCE:-

The proposed utilization of Issue Proceeds is set forth below:

(in ₹ Lakhs)

Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our Company	3,850.00
2.	General Corporate Purpose*	868.37
	Net Proceeds from the Issue	4,718.37

*Subject to the finalisation of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Means of Finance

(in ₹ Lakhs)

Means of Finance	Amount
Gross Proceeds of the Issue	4,818.37
Less: Estimated Issue related expenses	100.00
Net Proceeds from the Issue	4,718.37

*Assuming full subscription

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

Interim use of Funds

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

Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 82 of the SEBI Regulations is not required. However, the Board of Directors of our Company, would be monitoring the utilization of the proceeds of the Issue.

4. SHAREHOLDING PATTERN

Shareholding Pattern of our Company, as on March 31, 2024 in compliance with the provisions of the SEBI Listing Regulations is as follows:

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Category of Shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting Right	No. of locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total shares held (b)	
(A) Promoter & Promoter Group	4	93,14,441	93,14,441	38.95	93,14,441	38.95	-	-	93,14,441
(B) Public	37,373	1,45,98,059	1,45,98,059	61.05	1,45,98,059	61.05	19,47,500	13.34	55,17,659
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-
Grand Total	37,377	2,39,12,500	2,39,12,500	100.00	2,39,12,500	100.00	19,47,500	8.14	1,48,32,100

5. BOARD OF DIRECTORS

BOARD OF DIRECTORS		
Name	Designation	Other Directorship Held
Mr. Prasad Reddy Sabbella	Managing Director	Private Limited Company: ▪ Sharat Foods Private Limited#
Mr. Sharat Reddy Sabbella	Whole-Time Director	Private Limited Company: ▪ United Aquatech Private Limited ▪ Sharat Foods Private Limited#
Mr. Shanmugam	Non-Executive Director	Nil
Mr. Venkata Muthyam Harihar	Independent Director	Private Limited Company: ▪ Fourier Services Private Limited ▪ Tavis Energy Private Limited
Mr. Swayze Mani	Independent Director	Nil
Mrs. Geetha Bindu	Independent Director	Private Limited Company: ▪ Dhash PV Technologies Private Limited

#Company Strike Off

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTERS OR DIRECTORS ARE DECLARED AS A WILLFUL DEFAULTERS OR FRAUDULENT BORROWER OR FUGITIVE ECONOMIC OFFENDER AS DEFINED UNDER SEBI ICDR REGULATIONS.

6. FINANCIAL STATEMENT SUMMARY

in Lakhs)

FINANCIAL INFORMATION		
Particulars	For the Fiscal Year 2024	For the Fiscal Year 2023
Total income from operations (net)	30,215.92	33,253.83
Profit / (Loss) before tax and extraordinary items	765.92	908.69
Profit / (Loss) after tax and extraordinary items	587.30	649.52
Equity Share Capital	2,391.25	2,391.25
Other Equity	6,006.26	5,478.05

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Net worth ⁽¹⁾	8,397.51	7,869.30
Basic and Diluted earnings per share (₹)	2.46	2.69
Return on net worth (%)	7.00	2.67
Net asset value per share (₹) ⁽²⁾	35.12	32.89

(1) Equity share capital and other equity

(2) Net asset value per share shall mean Equity share capital and other equity divided by the total number of equity shares

7. INTERNAL RISK FACTORS

Below mentioned are the top five risk factors as per Letter of Offer:

1. Our business is dependent on our processing facilities, which are subject to a variety of risks. Any slowdown or shutdown in our processing operations or under-utilization of our processing facilities could have an adverse effect on our business, results of operations and financial condition.
2. We are dependent on a continued and sustained availability of raw shrimp, which is the key raw material used in our processing operations. We have not entered into long-term agreements with all of our raw material suppliers, and any increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, revenues and results of operations.
3. The improper handling, transportation, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations, profitability and financial condition.
4. A significant portion of our procurement network is concentrated in Andhra Pradesh, and any adverse developments affecting the region could have an adverse effect on our business, results of operations and financial condition.
5. There are certain outstanding litigations involving our Company, our Promoter, our Directors and our Group Entities and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

For further details, please see the section titled “Risk Factors” beginning on page no. 18 of the Letter of Offer.

8. SUMMARY OF OUTSTANDING LITIGATIONS

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Abridged Letter of Offer is provided below.

Name of the Cases	Name of the Cases	Total amount involved (₹ in Lakhs)
Litigations involving our Company and Promoters	03	204.42*
Proceedings involving moral turpitude or criminal liability on our Company	-	Nil
Matters involving economic offences where proceedings have been initiated against our Company	-	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	-	Nil

*Out of the above stated three case, one case pending with Income Tax dept. has been dropped by CIT Appeal as per their order dated August 25, 2023.

For further details regarding these legal proceedings, please refer to chapter titled “Outstanding Litigations and Material Developments” on page 75 of the Letter of Offer

9. TERMS OF THE ISSUE

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For

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further details on the Rights Entitlements and demat suspense escrow account, see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” beginning on page 90 of the Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. The Eligible Equity Shareholders who have not received the Application Form can download the Form available at the websites of the Registrar, Stock Exchange or the Company and submit the filled Form at Designated Branch of the SCSB.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/ electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “- Grounds for Technical Rejection” on pages 109. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Making of an 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 No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

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. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date

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and should contain the following particulars:

1. Name of our Company, being **Sharat Industries Limited**;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialized form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 31/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from the RBI, where a successful Application will result in the aggregate shareholding or total voting rights of the Eligible Equity Shareholder (along with persons acting in concert) in our Company, to be 26.00% or more of the post-issue paid-up equity share capital of our Company. Eligible Equity Shareholders must send a copy of the approval from any regulatory authority, as may be required, or obtained from the RBI to the Registrar at investor@cameoindia.com.

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and (ii) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act) (“U.S. QIBs”) pursuant to Section 4(a)(2) of the US Securities Act and other exemptions from the registration requirements of the US Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights 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 Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S. QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (ii) a U.S. QIB in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar 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 the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs) or is outside of India and the United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction

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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. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

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 and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/sharat>.

Our Company 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.

Application by Eligible Equity Shareholders holding Equity Shares in Physical Form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized 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 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 accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 105 and 113.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sharat>

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in Physical Form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar 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 Application Form from the website of the Registrar <https://rights.cameoindia.com/sharat>; Company www.sharatindustries.com; and 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 at <https://rights.cameoindia.com/sharat> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity

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Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at www.sharatindustries.com;

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, 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,

Rights Entitlements Ratio

The Rights Securities are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 13 Rights Equity Share for every 20 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Securities are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 13 Rights Equity Shares for every 20 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or is not in the multiple of 20 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Securities over and above their Rights Entitlements, if any, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 20 Equity Shares, such Equity Shareholder will be entitled to 13 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 2 Equity Shares shall have 'zero' entitlement for the Rights Securities. Such Eligible Equity Shareholders are entitled to apply for additional Rights Securities and will be given preference in the Allotment of one Rights Security, if such Eligible Equity Shareholders apply for additional Rights Securities, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favor of third parties.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat accounts either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see "*Procedure for Renunciation of Rights Entitlements*" on page 102.

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.

Application for Additional Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 112.

Eligible Equity Shareholders who renounce their Rights Entitlements part or full cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the rights entitlements through on market renunciation / off market renunciation, an application has to be made for subscribing to the rights equity shares. if no such application is made by the renouncee on or before

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issue closing date, then such rights entitlements will get lapsed and shall be extinguished after the issue closing date and no rights equity shares for such lapsed rights entitlements will be credited. for procedure of application by shareholders who have purchased the right entitlement through on market renunciation / off market renunciation, please refer to the heading titled “*process of making an application*” on page 101 of this letter of offer

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Intention of promoters to subscribe to its Rights Entitlement

Our Promoter and Promoter Group vide their letter dated February 14, 2024 have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favor by any other Promoter or member(s) of the Promoter Group of our Company. 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 (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their 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 and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI (SAST) Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Availability of offer document of the immediately preceding public issue or rights issue for inspection

A copy of the Letter of Offer dated July 4, 2024 made by the Company for rights issue of Equity Shares is available for inspection on the website of the Company at www.sharatindustries.com from the date of the Letter of Offer until the Issue Closing Date.

ANY OTHER IMPORTANT INFORMATION AS PER COMPANY

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, “SHARAT INDUSTRIES LIMITED RIGHT ISSUE SUSPENSE ESCROW ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority, if any; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/ reversed/ failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) Non-institutional equity shareholders in the United States.

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

DECLARATION BY OUR COMPANY

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be.

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We further certify that all disclosures made in this Offer Document are true and correct.

Name	Signature
Prasad Reddy Sabbella Managing Director DIN: 00069094	Sd/-
Sharat Reddy Sabbella Whole-Time Director DIN: 02929724	Sd/-
Shanmugam Non-Executive Director DIN: 08877587	Sd/-
Geetha Bindu Independent Director DIN: 07017187	Sd/-
Swayze Mani Independent Director DIN: 09604569	Sd/-
Venkata Muthyam Harihar Independent Director DIN: 08160011	Sd/-
Narayanaswamy Thyagarajan Chief Financial Officer PAN: AANPT6270E	Sd/-
Balamurugan Company Secretary PAN: AVAPB3374R	Sd/-

Place: Nellore

Date: July 04, 2024