



SHARAT INDUSTRIES LIMITED

Registered office: Venkannapalem Village, T. P. Gudur Mandal, Nellore, Andhra Pradesh- 524 002
Telephone: +91 86123 31727; **Contact person:** Mr. Balamurugan M, Company Secretary and Compliance Officer;
Website: www.sharatindustries.com; **Email:** cs@sharatindustries.com
Corporate Identity Number: L05005AP1990PLC011276

ENTITLEMENT LETTER FOR THE RIGHTS ISSUE

Date:

Reference no.: {FILLER1}

DP ID – Client ID | Folio no.: {Folio}

Sole | First holder name: {Name}

Dear Shareholder,

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 FACE 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*

You have been sent this letter and the Abridged Letter of Offer and the Application Form enclosed herewith to comply with the provisions of the Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), and the relevant circulars issued by SEBI from time to time. This letter and the enclosures are solely intended for distribution to, and use by, Eligible Equity Shareholders as of the Record Date who have provided an India address to our Company or who are located in the jurisdictions where the issue of the Rights Entitlement and the offer and the sale of the Rights Equity Shares is permitted under law of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. This letter does not constitute an offer of, or a solicitation of an offer to purchase, the Rights Equity Shares in any jurisdiction where offers or solicitations are not permitted by law. For more details, see “Restrictions on Foreign Ownership of Indian Securities” beginning on page 122 of the Letter of Offer. If you are not permitted to subscribe to Rights Equity Shares or are in any doubt as to whether you are permitted to subscribe to Rights Equity Shares, please treat this letter and the enclosures as being sent to you as for the information purpose only and you may not apply to subscribe to Right Equity Shares. This letter and its enclosures, including any copies thereof, should not be reproduced transmitted or distributed to any other person.

AMOUNT PAYABLE PER RIGHTS 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
Total	10.00	21.00	31.00

IF YOU ARE NOT PERMITTED TO VIEW THESE MATERIALS OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THESE MATERIALS, PLEASE DELETE THIS E-MAIL WITHOUT ACCESSING OR DISTRIBUTING ITS CONTENTS.

With reference to above, please find below the details of Equity Shares held by you as on Record Date, i.e., July 12, 2024 along with your Rights Entitlements for information:

Folio number DP or Client ID	No. of Equity Shares held by you on Record date being (July 12, 2024)	No. of Rights Entitlement

Abridged Letter of Offer & Application Form are enclosed herewith.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.cameoindia.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sharatindustries.com).

This is to inform you that the captioned issue opens for subscription on Wednesday, July 24, 2024 and issue closes[#] for subscription on Wednesday, August 07, 2024.

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

Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process or the (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). 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.

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

In accordance with the SEBI Rights Issue Circular, 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 Equity Shares may also apply in this Issue during the Issue Period.

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:

Shareholders 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 authorizing 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 Exchanges and the Company, and submit the filled Form at Designated Branch of the SCSB.

Shareholders 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.

ASBA facility: Investors shall submit the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in 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.

Shareholders applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "Procedure for Application through the ASBA Process" on page 100.

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

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized 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) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings or (f) Non-institutional equity shareholders in the United States.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR

RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE220Z20013. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to 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. For details, see “*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 102.

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.

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.

Issue Schedule

You are requested to take note of the following schedule of the Issue:

Last Date for credit of Rights Entitlements	Friday, 19 July, 2024
Issue Opening Date	Wednesday, 24 July, 2024
Last Date for On Market Renunciation	Thursday, August 01, 2024
Issue Closing Date	Wednesday, 07 August, 2024
Finalisation of Basis of Allotment (on or about)	Tuesday, 13 August, 2024
Date of Allotment (on or about)	Wednesday, 14 August, 2024
Date of credit (on or about)	Tuesday, 20 August, 2024
Date of listing (on or about)	Thursday, 22 August, 2024

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

ATTENTION FOR PHYSICAL SHAREHOLDERS

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company/Registrar 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 (*i.e.* Friday, 2 August, 2024) to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one Working day before the Issue Closing Date (*i.e.* Monday, 5 August, 2024). Such Eligible Equity Shareholders shall send a signed request letter to the Registrar regarding updating of demat account details containing the name(s), address, e-mail address, contact details, DPID-CLID along with copy of self-attested PAN and self-attested client master sheet of their demat account, copy of any one share certificate either by e-mail at investor@cameoindia.com (having a subject line as “SHARAT INDUSTRIES LIMITED RIGHTS ISSUE DEMAT

ACCOUNT UPDATION OF FOLIO NO. mention folio no)” or by post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two (2) Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders holding Equity Shares in physical form are requested to ensure that their demat account, details of which is provided, is active.

If the Eligible Equity Shareholders holding the Equity Shares in the physical form as on Record Date (“Physical Shareholders”) have not provided the details of their demat accounts 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, then their said Rights Entitlements will lapse and they will not be able to participate in the Issue.

Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under the Issue for subscribing to the Equity Shares offered under Issue.

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

For details, see “Terms of the Issue - Application by Eligible Equity Shareholders holding Equity Shares in Physical Form” on pages 91 of the Letter of Offer.


Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.sharatindustries.com;
- the Registrar to the Issue at www.cameoindia.com;
- the Stock Exchange at www.bseindia.com

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

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

In case of any queries, you may contact the Company, Registrar to issue and Lead Manager at the details mentioned herein:

Company	Registrar
	
SHARAT INDUSTRIES LIMITED Venkannapalem Village, T. P. Gudur Mandal, Nellore, Andhra Pradesh- 524 002 Tel.: +91 86123 31727 E-mail cs@sharatindustries.com ; Website: www.sharatindustries.com Contact Person : Mr. Narayanaswamy Thyagarajan, Chief Financial Officer CIN: L05005AP1990PLC011276	CAMEO CORPORATE SERVICES LIMITED Subramanian Building, 1, Club House Road, Chennai-600002 Tel No.: +91 44 4002 0700 E-Mail Id: rights@cameoindia.com Investor Grievance E-Mail Id: investor@cameoindia.com Website: www.cameoindia.com / https://rights.cameoindia.com/sharat Contact Person: Ms. K. Sreepriya SEBI Registration No.: INR000003753 CIN: U67120TN1998PLC041613

Note: All capitalized terms, unless defined herein, shall have the meaning as ascribed to them in the Letter of Offer.

For **SHARAT INDUSTRIES LIMITED**

Sd/-

Mr. Balamurugan

(Company Secretary and Compliance Officer)

Date: July 04, 2024

Place: Nellore

This mail is sent by Cameo Corporate Services Limited as Registrar to the Issue, on behalf of Sharat Industries Limited.