



**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Saraswati Saree Depot Limited,
SR.No.144/1 Manade Mala NR Tawade Hotel
Gandhinagar RD Uchagaon, Kolhapur, Maharashtra, India, 416005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Saraswati Saree Depot Limited** CIN: U14101PN2021PLC199578 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

- i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

We have also examined compliance with the applicable clauses and regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India

We further report that:



The Board of directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. During the FY 2023-24, The Company Has capitalized it's profits by allotting shares on bonus issue basis in accordance with the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of the Articles of Association of the Company and based on the recommendation of the Board of Directors of the Company. capitalization of such sum standing to the credit of free reserves of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus shares amounting to 3,30,00,000 (Three crore thirty lakhs) equity shares bearing a face value of Rs. 10/- (Rupees ten only) each aggregating to a total of Rs. 33,00,00,000. (Rupees Thirty-Three crore), credited as fully paid-up shares to the existing equity shares holders of the Company, in the proportion of 330 (Three hundred and thirty) equity shares for every 1 (one) equity share held by the Members as on June 20, 2023.
2. During the FY 2023-24, the Company has decided to raise its capital with an initial public offering (the "Offer" or "IPO") through a fresh issue of equity shares not exceeding 90,00,000 (Ninety Lakhs only) equity shares of face value of ₹ 10/- (Rupees Ten only) each or such other equity shares as may be decided by the Board and an offer for sale of upto 50,00,000 (Fifty lakhs only) equity shares, by existing shareholders, at such price including premium as may be decided in any mode whether fixed or through Book-Building mechanism to such person or persons, who may or may not be the members of the Company and as the Board may, at its sole discretion, decide in consultation with the Book Running Lead Manager(s) ("BRLMs"), so appointed including foreign/ resident investors, eligible Foreign Institutional Investor ("FIs"), Foreign Portfolio Investor ("FPs"), sub-accounts of eligible FIIs/FPIs, Foreign Venture Capital Investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, qualified institutional buyers, eligible employees of the Company, retail investors, bodies corporate, any other company/companies, private or public or other body corporate(s) or entities whether incorporated or not, and such other persons in one or more combinations thereof, and/ or any other categories, the price including the premium to be offered in the manner, and on the terms and conditions as the Board may, in its absolute sole discretion, decide, in consultation with the BRLMs, whether the price at which the equity shares are to be offered, at par or at premium and whether for cash or other consideration, including discount for any category of investors, as permitted under applicable laws, and the decision to determine the



3. category or categories of investors to whom the offer, issue and allotment/ transfer shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalized by the Board, in consultation with the BRLMs.
4. The Members of the Company had approved to INCREASE IN THE BORROWING POWERS OF THE COMPANY pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or any amendments or any substitution or any re-enactment thereof, if any, for the time being in force, to authorize the Board to borrow, enhance or grant facility for the general, working capital and such other corporate purposes, from time to time as the Board may think, any sum or sums of which together with money already borrowed by the Company (apart from temporary loans obtained from Company's Banker in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company, and its free reserves, that is to say reserves not set apart for any specific purpose, and securities premium account, provided that the total amount of money so borrowed shall at no time exceed the limit of Rs. 200,00,00,000/- (Rupees Two Hundred Crores only).
5. The Members of the Company had approved TO MORTGAGE/ CHARGE/ HYPOTHECATION OF PROPERTY (IES)/ UNDERTAKINGS(S) OF THE COMPANY pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder, to create such mortgages, charges and hypothecations as may be necessary, in addition to the existing charges, mortgages and hypothecation created by the Company and to transfer, sell or dispose of all or any part of the moveable or immovable properties of the Company, wherever situated, both present and future, in such manner as the Board may deem fit, in favour of financial institutions, investment institutions, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as ("Lending Agency"es)) or other instruments to secure borrowings of the Company availed / to be availed by way of rupee term loans/foreign currency loans, debentures, bonds and other instruments provided that the total amount of such loans/borrowings shall not at any time exceed Rs. 200,00,00,000/- (Rupees Two Hundred Crores only).
6. During the year under the review The Company has altered its Articles of association of the Company pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") in following manner:

Clause 3 of 'SHARE CAPITAL, SECURITIES AND VARIATION OF RIGHTS' under the head Shares under control of Board has been replaced to:

"Subject to the Applicable Law, the Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting."

Clause 6 of SHARE CAPITAL, SECURITIES AND VARIATION OF RIGHTS under the head Power to issue Shares outside India has been added to give power to the Board for issue of securities outside India:

"Pursuant to the provisions of Applicable Law and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "Appropriate Authorities") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or Securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on



ABHISHEK SHALU AND ASSOCIATES
Company Secretaries

such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the

Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.”

Clause 31 (1) of ‘SHARE CAPITAL, SECURITIES AND VARIATION OF RIGHTS’ under the head Instrument of transfer to be executed by transferor and transferee newly added for Common form of Transfer as follows:

“The instrument of transfer shall be in writing and duly stamped and in such form as may be prescribed under the Act from time to time and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.”

In Clause 57 (iv) of ‘JOINT HOLDERS’ under the head “Delivery of certificate and giving of notice to first named holder” the term “receipt of dividends or bonus” is newly added and therefore the entire clause shall be read as follows:

“iv. Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or receipt of dividends or bonus to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.”

New Clause Nos. 105 to 108 has been added related to the Borrowing Powers under the heads ‘Power to borrow’, ‘Conditions on which money may be borrowed’, ‘Terms of issue of Debentures’ and ‘Instrument of transfer’ respectively:

105. “Subject to the provisions of these Articles, the Act and other Applicable Law, the Board may, from time to time, at its discretion, by way of a resolution passed at the meeting of Board, accept deposits from its members or otherwise, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money to be borrowed together with the moneys already borrowed; or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.”

106. “The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.”

107. “Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit: Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.”

108. “Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.”

Clause 121 has been added - in ‘DIVIDENDS AND RESERVE’ under the head Non-forfeiture of unclaimed Dividend, the clause shall be read as follows:

“No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.”



ABHISHEK SHALU AND ASSOCIATES
Company Secretaries

For **Abhishek Shalu & Associates**
Company Secretaries



Abhishek Shalu
Proprietor
ACS No: 44190
CP No: 17574

Peer Review: 5530/2024
UDIN: A044190F000840381

Place: Pune
Date: July 27, 2024

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.



'ANNEXURE A'

To,
The Members,
Saraswati Saree Depot Limited,
SR.No.144/1 Manade Mala NR Tawade Hotel
Gandhinagar RD Uchagaon, Kolhapur, Maharashtra, India, 416005

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidences provided physically and through electronic mode.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **Abhishek Shalu & Associates**
Company Secretaries

Abhishek Shalu

Proprietor

ACS No: 44190

CP No: 17574

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