



**K. V. CHALAMA REDDY**

*B.Sc., LL.B., F.C.S.,*

COMPANY SECRETARY

M.No.: F 9268, C.P.No.5451

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To,

The Board of Directors  
Suryalakshmi Cotton Mills Limited  
06<sup>th</sup> Floor, Surya towers, 105, S.P. Road,  
Secunderabad – 500 003, Telangana

Dear Sirs,

**Sub:** Certificate of Practcing Company Secretary to Suryalakshmi Cotton Mills Limited pursuant to regulation 163(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 as amended from time to time for the proposed preferential issue of Convertible warrants into Equity shares

1. This certificate is issued in connection with the proposed preferential issue of Suryalakshmi Cotton Mills Limited (the "Company ") in terms of sub-regulation 2 of Regulation 163 of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 ( the "SEBI ICDR Regulations") as amended the Company is required to obtain a certificate from the Practicing Company Secretary with regard to compliance with the conditions and requirements of the SEBI ICDR Regulations for proposed preferential issue of fully convertible warrants .
2. The Company has proposed to issue 21,33,000 (Twenty One lakhs thirty Three Thousand only ) fully convertible Warrants ("warrant") on preferential basis, at a price of Rs 85/- ( "Warrant issue price") per warrant, each convertible into 1(One) Equity Share of face value of Rs 10/- ( Rupees ten only) each to promoter/Promoter group ("proposed Allottee").
3. In terms of regulation 160 of the SEBI ICDR Regulations, notice seeking the approval of the members of the Company alongwith the explanatory statement containing details of proposed preferential issue being made (the "statement" ) as required by SEBI ICDR Regulations has been prepared by the management of the Company

#### **Management's Responsibility for the Statement**

4. The preparation of the Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement.
5. The Management is also responsible for ensuring that the Company complies with the below requirements of the SEBI ICDR Regulations:
  - i. to Determine the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;



ii. to Determine the minimum price of the warrant to be allotted in preferential issue as per the requirements of Part IV of chapter V of the SEBI ICDR Regulations.

iii. to Comply with the requirements of the SEBI ICDR Regulations.

### **Practising Company Secretary's Responsibility**

6. Pursuant to the requirements of regulation 163(2) of the SEBI ICDR Regulations, it is my responsibility to obtain limited assurance and conclude as to whether the details of the proposed preferential issue provided in the Statement is in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue of warrants.

7. I have conducted examination of the Statement in accordance with the Guidance Notes on issue of Certificates issued by the Institute of Company Secretaries of India.

8. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had performed a reasonable assurance engagement. Accordingly, I have performed the following procedures in relation to the Statement:

a. Noted the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;

b. Verified the calculation of the minimum price of the warrants to be issued in preferential issue in accordance with pricing formula given in 5(ii) of the above :

c. Obtained and read copy of Shareholders resolution and explanatory statement thereto as stated in the notice seeking the approval of the members for proposed preferential issue ;

d. Obtained confirmation from the Registrar and Transfer Agent of the Company confirming that

i. all shares are held in dematerialized form as at February 02, 2022 ;

ii. The proposed allottees hold 59,01,967 (Fifty Nine Lakh One Thousand Nine Hundred and Sixty Seven) equity shares of the Company as on the relevant date i.e. 31<sup>st</sup> January, 2022;

iii. The proposed allottees have not sold any equity shares of the Company during 90 trading days preceding the relevant date i.e. 31<sup>st</sup> January, 2022.



## Conclusion

9. Based on my examination as above, and the information and explanations given to me, I hereby certify that the details of the proposed preferential issue provided in the Statement are in accordance with the requirements of the SEBI ICDR Regulations as applicable to the preferential issue of warrants.

## Restriction on Use

10. This certificate addressed to and provided to the Board of Directors of the Company pursuant to requirements of SEBI ICDR regulations for placing before the extra ordinary general meeting of the Company and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without my prior consent in writing.

Place : Hyderabad  
Date : 02/02/2022



K.V. CHALAMA REDDY  
Practicing Company Secretary  
M.No.: F9268 , C.P No.:5451