



M. L. SHARMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

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November 14, 2022

To,
The Board of Directors
Technocraft Industries (India) Limited,
Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Opposite Tunga Paradise Hotel,
Andheri (East), Mumbai 400093

Dear Sirs /Madam,

Re: Statutory Auditors' Report in respect of proposed buy back of Equity Shares by Technocraft Industries (India) Limited ('the Company') in terms of clause (xi) of Schedule I to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended (the "SEBI Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated 07th November, 2022. The Board of Directors of Technocraft Industries (India) Limited ("the **Company**") have approved a proposed buy-back of Equity Shares by the Company at its meeting held on 14th November, 2022, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the **Act**") read with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("**SEBI Buy-back Regulations**").
2. We have been requested by the Management of the Company to provide a report on the accompanying Statement of permissible capital payment ('**Annexure A**') as at 31st March, 2022 (hereinafter referred together as the "**Statement**"). This Statement has been prepared by the management, which we have initialed for the purpose of Identification.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68(2) of the Act and ensuring compliance with Section 68, 69 and 70 of the Act and SEBI Buy-back Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and in forming the opinion, it has taken into account the liabilities



(including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of the section 68 (6) of the Companies Act and the SEBI Buyback Regulations.

Auditors' Responsibility

5. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide a reasonable assurance whether:
 - a. we have inquired into the state of affairs of the Company in relation to the annual audited standalone and consolidated financial statements as at 31st March, 2022 which was adopted by the Members of the Company at the Annual General Meeting held on 26th September, 2022
 - b. the amount of permissible capital payment as stated in Annexure A, has been determined considering the annual audited standalone and consolidated financial statements as at 31st March, 2022 in accordance with Section 68(2)(c) of the Act, Regulation 4(i) of the SEBI Buyback Regulations and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations; and
 - c. the Board of Directors of the Company, in their Meeting held on 14th November, 2022 has formed the opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date with regard to the proposed buyback are declared.

6. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:
 - a. Examined that the amount of permissible capital payment (including premium) for the buy back as detailed in Annexure A is in accordance with the provisions of Section 68(2) of the Act;
 - b. Examined authorization for buyback from the Articles of Association of the Company;
 - c. Inquired into the state of affairs of the Company with reference to the audited standalone financial statements for the year ended 31st March, 2022;
 - d. Verified the arithmetical accuracy of the amounts mentioned in Annexure A;
 - e. Examined the Board of Directors' declarations for the purpose of buyback and solvency of the Company; and
 - f. Obtained appropriate representations from the Management of the Company.



7. The audited standalone and consolidated financial statements referred to in paragraph 4 above, which we have considered for the purpose of this report, have been audited by M/s. Dhiraj & Dheeraj, on which they have issued an unmodified audit opinion vide their report dated 27th May, 2022. As stated in the Auditors Report, the audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards also require that auditors plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We have relied on the Report issued by M/s. Dhiraj & Dheeraj.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)-1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.
10. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

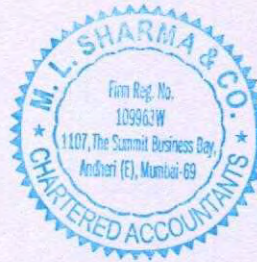
11. Based on inquiries conducted and our examination as above, we report that:
 - a. We have inquired into the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at and for the year ended 31st March, 2022, which have been approved by the Board of Directors at board meeting and Members of the Company at the Annual General Meeting held on 27th May, 2022 and on 26th September, 2022 respectively. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68 (2)(c) of the Act, Regulation 4(i) of the SEBI Buyback Regulations and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations.
 - b. The Board of Directors of the Company, in their meeting held on 14th November, 2022 has formed opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds that the Company having regard to its state of affairs, will not be rendered insolvent (as defined in management responsibility above) within a period of one year from the date of passing the Board Resolution dated 14th November, 2022.



Restriction on use

12. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company as mentioned in paragraph 2 above, (ii) to enable the Board of Directors of the Company to include in the public announcement and other documents pertaining to buyback to be sent to the shareholders of the Company or to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges and any other regulatory authority as per applicable law in India and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) can be shared with the merchant banker(s) involved in connection with the proposed buyback of equity shares of the Company for onward submission to SEBI, stock exchanges and / or any other regulatory authority as required under the law in India, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**FOR M. L. SHARMA & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 109963W**



**(VIKAS L. BAJAJ)
PARTNER
Membership No.104982
UDIN – 22104982BDBWMD6796**

**Place of Signature: Mumbai
Date : 14th November 2022**

Annexure A – Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment (including premium) towards buyback of equity shares of Technocraft Industries (India) Limited in accordance with proviso to Section 68(2) of the Companies Act, 2013 (the "Act") and Regulation 4(i) and proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations („the Statement“):

Particulars as on 31 st March, 2022		Amount (Rs. in crores)	
		Amount extracted from the latest audited standalone financial statements as at 31 st March, 2022	Amount extracted from the Latest audited consolidated financial statements as at 31 st March, 2022
Paid up Equity Share Capital (2,44,61,687 shares of Rs. 10/- each)	A	24.46	24.46
Free Reserves:			
Profit and loss account balance		1,018.81	1,166.66
Securities Premium		0.00	459.12
General reserve		121.57	136.32
Total Free Reserves	B	1,140.38	1,762.10
Total paid up capital and free reserves	C=A+B	1,164.84	1,786.56
Maximum amount permissible under the Act/ Buyback Regulations with Shareholder approval :-25% of total paid-up equity capital and free reserves,	C*25%	291.21	446.64
Maximum amount permissible under the Act/ Buyback Regulations with Board approval:- 10% of total paid-up equity capital and free reserves.	C*10%	116.48	178.66

Note: Maximum amount permissible under the Act/ SEBI Buyback Regulations shall be the lower of the standalone and the consolidated financial statements as at March 31, 2022.

For and on behalf of Board of Directors
Technocraft Industries (India) Limited

Ashish Kumar Saraf
Chief Financial Officer and Whole-time Director
DIN: 00035549

Date: November 14, 2022

Place: Mumbai

