KANEL

November 14, 2026

To
The Manager
BSE Limited (BSE)
P.J. Towers, Dalal Street,
Mumbai-400 001,
Maharashtra, India,

Scrip Code: 500236

Dear Sir/Madam,

Sub: Outcome of Board Meeting held today i.e., November 14 2026 as per the Regulation 30 of SEBI (LODR) Regulation, 2015.

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the meeting of Board of Directors of the company held today i.e. Saturday, November 14, 2026 at the Registered Office of the Company which commenced at 5:00 P.M. and concluded at 7:00 P.M.

- The Board approved the 'Letter of Offer' to be filed with the BSE Limited along with Rights Entitlement Letter (REL), and Common Application Form (CAF). The designated stock exchange in relation to the Right Issue will be BSE Limited.
- The Board approved standalone Unaudited Financial Results for the Quarter and Half year ended on 30th September, 2026

Further, the Company has made necessary arrangement with NSDL and CDSL for the credits of the Rights Entitlements in dematerialized form in the demat account of the eligible equity shareholders as on the Record Date. The International Securities Identification Number (ISIN) for the purpose of credit of dematerialized rights entitlement is INE252C20015.

The Rights Entitlement of the eligible equity shareholders as on the Record Date, shall be credited prior to the issue opening date, in the respective demat account of the eligible equity shareholders under the aforementioned ISIN.

Please take note of the same and oblige.

Thanking You.

For, Kanel Industries Limited

KEYOOR MADHUSUDAN BAKSHI
Digitally signed by KEYOOR MADHUSUDAN BAKSHI
Date: 2026.11.14 19:09:11 +05'30'

Keyoor Bakshi
Director
DIN: 00133588

N.S. Nanavati & Co.
Chartered Accountants

Limited Review Report on quarterly Standalone Financial Results of KANEL INDUSTRIES LTD pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the quarter ended September 30, 2026.

To
The Board of Directors
KANEL INDUSTRIES LTD

1503, WESTPORT,
Sindhu Bhavan Road,
Nr. S P Ring Road,
Ahmedabad, Shilaj - Daskroi,
Gujarat, India, 380059

Sir,
I have reviewed the accompanying statement of unaudited standalone financial results of KANEL INDUSTRIES LTD, having registered office situated at 1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059 for the quarter ended on September 30, 2026. This statement has been prepared by the Company pursuant to the requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 Dated July 5, 2016. This Statement is the responsibility of the Company's Management and has been prepared and approved by the Board of Directors in accordance with recognition and measurement principles laid down in Indian Accounting Standards 34" Interim Financial Reporting" as prescribed under section 133 of the Companies Act, 2013("The Act") read with relevant rules issued thereunder and other Accounting Principles generally accepted in India. My responsibility is to issue a report on these financial statements based on my review.

I conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. I have not performed an audit and accordingly, I do not express an audit opinion.

Based on my review conducted as above, nothing has come to my attention that causes me to believe that the accompanying statement prepared in accordance with applicable Indian Accounting standards (Ind AS) as per Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad
Date: 14.11.2026

N.S. NANAVATI & CO. M. No. 143769 FRN-134235W VERAVAL CHARTERED ACCOUNTANTS

For N.S. Nanavati & Co.
Chartered Accountants
FRN: 134235W

14/11/26

CA NITESH SHIRISHCHANDRA NANAVATI
Proprietor
Membership No.: 143769
UDIN: 26143769YZJHVC3341

6, "SHRI NIVAS", Ghanshyam Plot, Veraval-362265, Dist.: GIR-SOMNATH (Guj.)
Mob. : 09998962014 | Email : nanavatinitesh@gmail.com

KANEL INDUSTRIES LTD

Registered Office: 1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Daskroi, Gujarat, India, 380059

CIN :L15140GJ1992PLC017024

(Rs. in Lakhs)

Standalone Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2026

Sr. No.	Particulars	Quarter Ended			For The Six Months ended		Year to date
		30/09/2026	30/06/2026	30/09/2025	30/09/2026	30/09/2025	31/03/2026
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from Operations**	-	-	-	-	-	-
2	Other Income	0.07	0.06	2.83	0.13	2.93	3.06
3	**Total Revenue (1 + 2)**	**0.07**	**0.06**	**2.83**	**0.13**	**2.93**	**3.06**
4	**Expenses:**						
	Cost of Materials Consumed	-	-	-	-	-	-
	Purchases of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods work-in-progress	-	-	-	-	-	-
	Employee benefits expense	-	0.45	1.16	0.45	2.24	4.66
	Finance costs	-	-	-	-	-	-
	Depreciation and amortisation expense	2.33	2.35	5.27	4.68	5.27	10.54
	Other expenses	5.84	5.82	30.22	11.66	36.71	22.93
	Total expenses	**8.17**	**8.62**	**36.65**	**16.80**	**44.22**	**38.12**
5	**Profit before exceptional and extraordinary items**	**(8.10)**	**(8.56)**	**(33.82)**	**(16.67)**	**(41.29)**	**(35.06)**
6	Exceptional items						-
7	**Profit before extraordinary items and tax (5 - 6)**	**(8.10)**	**(8.56)**	**(33.82)**	**(16.67)**	**(41.29)**	**(35.06)**
8	Extraordinary items						12.87
9	**Profit before tax (7 - 8)**	**(8.10)**	**(8.56)**	**(33.82)**	**(16.67)**	**(41.29)**	**(47.93)**
10	**Tax expense : (a+b+c)**	**-**	**-**	**-**	**-**	**-**	**-**
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	(c) MAT Credit Entitlement		-				-
11	**Profit for the period from continuing operations**	**(8.10)**	**(8.56)**	**(33.82)**	**(16.67)**	**(41.29)**	**(47.93)**
12	**Profit from discontinuing operations**	-	-	-	-	-	
13	Tax expense of discontinuing operations	**-**	**-**	**-**	**-**	**-**	
14	**Profit from Discontinuing operations (after tax) (12-**	-	-	-	-	-	
15	**Profit for the period (11 + 14)**	(8.10)	(8.56)	(33.82)	(16.67)	(41.29)	(47.93)
16	Share of Profit of Associates						-
	Minority Interest						-
17	**Profit for the period (15 + 16)**	(8.10)	(8.56)	(33.82)	(16.67)	(41.29)	(47.93)
18	Other Comprehensive Income (Net of Tax)						-
19	**Total Comprehensive Income (After Tax) (17 + 18)**	(8.10)	(8.56)	(33.82)	(16.67)	(41.29)	(47.93)
20	Paid up Equity Share Capital (Face value of Rs. 10/- each)	1575.00	1575.00	1575.00	1575.00	1575.00	1,575.00
	Reserves excluding Revaluation Reserve						(32.17)
21	**Earnings per equity share:**						-
	(1) Basic	(0.05)	(0.05)	(0.21)	(0.11)	(0.26)	(0.30)
	(2) Diluted	(0.05)	(0.05)	(0.21)	(0.11)	(0.26)	(0.30)

1. The financial results for the quarter and half year ended September 30, 2026 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as per section 133 of the Companies Act, 2013 and other applicable accounting policies and practices.
2. The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The statutory Auditors of the company have carried out a limited review of the above results as per Regulation 33 of the SEBI [Listing Obligation and Disclosure Requirements] Regulations, 2015.
4. Earnings per share for the quarter ended has been calculated as per weighted average formula and diluted Earnings per share has been calculated as required.
5. The above financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on November 14,2026.

For, KANEL INDUSTRIES LTD

Date: 14.11.2026

Place: Ahmedabad

KEYOOR MADHUSUDAN BAKSHI Digitally signed by KEYOOR MADHUSUDAN BAKSHI Date: 2026.11.14 19:09:45 +05'30'

KEYOOR MADHUSUDAN BAKSHI

Director

DIN: 00133588

KANEL INDUSTRIES LTD

1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059

ELLISSBRIDGE, AHMEDABAD-380006

(CIN-L15140GJ1992PLC017024)

STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2026

All amounts in rupees Unless otherwise stated (Rs. In Lakhs)

	Particulars	As At September 30, 2026	As At March 31, 2026
I.	ASSETS		
1	NON-CURRENT ASSETS		
	a) Property, Plant and Equipment	1540.08	1544.76
	b) Financial Assets		
	i. Long Term Loans and Advances	17.44	17.29
	Total non-current assets	1557.51	1562.05
2	CURRENT ASSETS		
	a) Financial Assets		
	i. Trade Receivables	00.30	00.15
	ii. Cash and Bank Balances		
	a) Cash and Cash Equivalents	11.60	01.91
	b) Other Current Assets (to be specified)	05.31	06.09
	Total Current Assets	17.21	08.15
	TOTAL ASSETS (1 + 2)	1574.72	1570.21
II	EQUITY AND LIABILITIES		
1	EQUITY		
	a) Equity Share Capital	1575.00	1575.00
	b) Other Equity	-48.84	-32.17
	Total Equity	1526.16	1542.83
2	LIABILITIES		
A.	NON-CURRENT LIABILITIES		
	a) Financial Liabilities		
	i. Borrowings	37.95	16.25
	Total Non-Current Liabilities (A)	37.95	16.25
B.	CURRENT LIABILITIES		
	a) Financial Liabilities		
	ii. Trade and Other Payables		
	A) Total Outstanding to Micro and Small Enterprise		
	B) Total Outstanding to Others	00.44	01.02
	b). Other Current Liabilities	00.17	00.11
	c) Provisions	10.00	10.00
	Total Current Liabilities (B)	10.61	11.13
	Total Liabilities (A + B)	48.56	27.38
	TOTAL EQUITY AND LIABILITIES (1 + 2)	1574.72	1570.21

KANEL INDUSTRIES LTD

1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059

ELLISSBRIDGE, AHMEDABAD-380006

(CIN-L15140GJ1992PLC017024)

Statement of Cash Flows for the year half year ended on September 30, 2026

All amounts in rupees Unless otherwise stated (Rs. In Lakhs)

	Particulars	As at September 30, 2026	As at September 30, 2025
A	**Cash Flow From Operating Activities**		
	Profit (Loss) Before Tax	-16.67	-41.29
	Adjustments For:		
	Profit on Sale of Asset	00.00	12.87
	Depreciation and Amortisation Expenses	04.68	05.27
	Operating (Loss) Before Working Capital Changes	**-11.99**	**-23.15**
	Movements in Working Capital :		
	(Increase) / Decrease in Other Current Assets	-00.15	00.00
	(Increase) / Decrease in Other Current Assets	00.78	-02.27
	Increase / (Decrease) in Trade Payables	-00.58	00.59
	Increase / (Decrease) in Other Liabilities	00.06	01.21
	Cash (used) in operations	**-11.88**	**-23.62**
	Direct Taxes Paid (Net of Refunds)		
	Net Cash Outflow From Operating Activities	**-11.88**	**-23.62**
B.	**Cash Flows From Investing Activities**		
	Proceeds from sale of Assets	00.00	64.20
	Net Cash (Outflow) from Investing Activities	**00.00**	**64.20**
C.	**Cash Flows From Financing Activities**		
	Increase /(Decrease) in Long Term Advances	-00.14	-17.29
	Increase /(Decrease) in Non Current Borrowings	21.70	-24.06
	Net Cash Inflow from Financing Activities	**21.56**	**-41.35**
D.	**Net Increase in Cash & Cash Equivalents (A + B + C)**	**09.69**	**-00.77**
E.	**Cash & Cash Equivalents at the beginning of the year / period**	**01.91**	**03.18**
F.	**Cash & Cash Equivalents at the end of the year / period**	**11.60**	**02.41**
	Component of Cash and Cash Equivalents		
	Cash on hand		
	Balances with Scheduled Bank		
	- On Current Accounts	11.60	02.41
	- Deposits with original maturity of less than three months		
	Cash and Cash Equivalents at the end of the year / period	**11.60**	**02.41**

Notes:

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
2. The previous year figures have been regrouped/restated wherever necessary to confirm to this year's classification.

KANEL INDUSTRIES LTD.

KANEL INDUSTRIES LIMITED

KANEL INDUSTRIES LIMITED (CIN: L43299GJ1992PLC017024) was incorporated on January 29, 1992 as a Public Limited Company under the Companies Act, 1956 with the Registrar of Companies, Gujarat at Ahmedabad under the name of Kanel Oil and Export Industries Limited, and thereafter the name was changed to Kanel Industries Limited w.e.f December 20, 2011.

CORPORATE IDENTITY NUMBER: L43299GJ1992PLC017024

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059	Keyoor Madhusudan Bakshi, *Director*	Tel: +91 6354437779 Email: ardent.ind99@gmail.com	www.kanel.in

THE PROMOTER OF OUR COMPANY IS ARDENT VENTURES LLP

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF KANEL INDUSTRIES LIMITED

ISSUE OF UP TO 42,52,500 FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹ 10/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 39.95 EACH INCLUDING A SHARE PREMIUM OF 29.95 PER EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹ 16,98,87,375 ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 54 RIGHTS EQUITY SHARES FOR EVERY 10 FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, NOVEMBER 13, 2026 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 39.95/-. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 56 OF THIS LETTER OF OFFER.

assuming full subscription.

WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company nor our Promoter/Promotor Group or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of ***'Risk Factors'*** beginning on page 22.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited ("BSE"). Our Company has received 'in-principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated October 23, 2026. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE RIGHTS ISSUE

Purva Sharegistry (India) Pvt. Ltd
Unit no. 9 Shiv Shakti Ind. Estt, J.R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra,400011
Contact Number: 022 - 41343264 / 49614132
Investor grievance e-mail: newissue@purvashare.com **Website: https:** www.purvashare.com
Contact Person: Ms. Deepali G. **SEBI Registration Number:** INR000001112

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**Monday, November 16, 2026**
ISSUE OPENING DATE	**Monday, November 23, 2026**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS	**Tuesday, November 24, 2026**
DATE OF CLOSURE OF OFF-MARKET TRANSFER OF RIGHTS ENTITLEMENTS*	**Sunday, November 29, 2026**
ISSUE CLOSING DATE**	**Monday, November 30, 2026**
DATE OF FINALISATION OF BASIS OF ALLOTMENT	**Tuesday, December 01, 2026**
DATE OF ALLOTMENT	**Wednesday, December 02, 2026**
DATE OF CREDIT OF RIGHTS EQUITY SHARES	**Thursday, December 03, 2026**
DATE OF LISTING	**Friday, December 04, 2026**

**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 accounts of the Renouncees on or prior to the Issue Closing Date.*

***Rights Issue Committee 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 the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing date.*

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TABLE OF CONTENTS

SECTION I - GENERAL 4

DEFINITIONS AND ABBREVIATIONS 4

NOTICE TO INVESTORS 12

NO OFFER IN THE UNITED STATES 13

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA 14

SUMMARY OF THE LETTER OF OFFER 16

FORWARD LOOKING STATEMENTS 20

SECTION II – RISK FACTORS 22

SECTION III – INTRODUCTION 34

THE ISSUE 34

GENERAL INFORMATION 35

CAPITAL STRUCTURE 39

OBJECTS OF THE ISSUE 42

STATEMENT OF SPECIAL TAX BENEFITS 47

SECTION IV – ABOUT THE COMPANY 48

OUR MANAGEMENT 48

FINANCIAL INFORMATION 50

SECTION V- LEGAL AND OTHER INFORMATION 52

OTHER REGULATORY AND STATUTORY DISCLOSURES 52

SECTION VI – ISSUE INFORMATION 56

TERMS OF THE ISSUE 56

RESTRICTIONS ON PURCHASES AND RESALES……...…81

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES 84

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 85

DECLARATION 86

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the Companies Act, 2013 the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in "Risk Factors", "Summary of this Letter of Offer", "Financial Information of the Issuer", "Statement of Special Tax Benefits", "Terms of the Issue" on pages 22, 16, 19, 47 and 56 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

GENERAL TERMS

Term	Description
"Company", "our Company", "the Company", "the Issuer" or "KIL"	Kanel Industries Limited (CIN: L43299GJ1992PLC017024) a public limited company, incorporated as a Public limited Company under the Companies Act, 1956, and having its registered office at 1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

COMPANY RELATED TERMS

Term	Description
AoA/ Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations
Auditors/ Statutory Auditors	The current statutory auditors of our Company M/s N.S. Nanavati & Co., Chartered Accountants bearing Firm Registration Number: '134235W.
Board of Directors/ Our Board	The Board of directors of our Company. For details, see "Our Management – Board of Directors" on page 48
Company Secretary and Compliance Officer	The current Company Secretary and Compliance Officer is Ms. Shagun Rathi. For details, see "Our Management - Board of Directors" on page 48
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Ms. Shagun Rathi.
Managing Director or MD	For details, see "Our Management - Board of Directors" on page 48
Directors	The director(s) on the Board of our Company, unless otherwise specified
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Kanel Industries Limited as on the Record Date
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupees Ten Only)
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Sections 2(47) and 149(6) of the Companies Act and Regulation 16 (1) of the SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ***'Our Management'*** beginning on page 48 of this Letter of Offer
ISIN of our Company	International Securities Identification Number being INE252C01023.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act. For details, please refer to section titled ***'Our Management'*** beginning on page 48 of this Letter of Offer

Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations
MoA/ Memorandum of Association	The Memorandum of Association of KANEL INDUSTRIES LIMITED, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations
Promoter	The Promoter of our Company is Ardent Ventures LLP
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company is situated at 1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059
Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat.
Risk Management Committee	The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations
Stock Exchange	The stock exchange where the Equity Shares are presently listed, being BSE Limited.
Corporate Office	The corporate office of our Company is located at 1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue.
Allotment Account	The account opened with the Banker to the Issue, into which the Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, Axis Bank
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Equity Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which the Allotment is made pursuant to this Issue.
Allottees	Person(s) who are Allotted Rights Shares pursuant to the Allotment.
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) and/or Specific investor(s), to the extent applicable under the applicable law, who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor.

ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a rights issue only through the ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Bankers to the Issue	The, Allotment Account Bank, to the Issue, in this case being Axis Bank;
Bankers to the Issue Agreement	Agreement dated August 24, 2026 entered by and amongst our Company, the Registrar, and the Bankers to the Issue.
Basis of Allotment	The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with BSE Limited, and which is described in the section titled ***'Terms of the Issue'*** beginning on page 56 of this Letter of Offer.
BSE Limited	BSE Limited, being the Stock Exchange where presently the Equity Shares of the Company are listed.
Call Record Date	A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue, and BSE Limited, a list of which is available on https://www.sebi.gov.in/sebiweb /other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?do Recognised Fpi=yes&intmId=35 updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF	Draft Letter of Offer dated 30th July, 2026, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approvals
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. Friday, November 13, 2026 Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Issue/ Rights Issue	Issue of upto fully paid up 42,52,500 Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. 39.95 per Equity Share aggregating up to Rs. 16,98,87,375 on a rights basis to Eligible Shareholders in the ratio of 54 (Fifty-Four) Rights Equity Shares for every 10 (Ten) fully paid-up Equity Shares held on the Record Date i.e. Friday, November 13, 2026
Issue Opening Date	Monday, November 23, 2026
Issue Closing Date	Monday, November 30, 2026
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	Rs. 39.95 per Equity Share
Issue Shares	The issue of upto 42,52,500 Rights Equity Shares.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	The issue of upto 42,52,500 Rights Equity Shares for an amount aggregating up to Rs. 16,98,87,375
Letter of Offer/ LoF	The final letter of offer is to be filed with SEBI, BSE Limited after incorporating the observations received from BSE on the Draft Letter of Offer.
Listing Agreements	Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations.
Monitoring Agency	Brickworks Ratings India Private Limited
Monitoring Agency Agreement	Agreement dated August 12, 2026 entered into between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds

Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/Renouncee/ Specific Investor(s), If applicable in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ***'Objects of the Issue'*** beginning on page 42 of this Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter.
Off Market Renunciation	The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by BSE Limited, from time to time, and other applicable laws, on or before November 24, 2026
Payment Schedule	Full amount payable on Application i.e 39.95
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being Friday, November 13, 2026
Registrar Agreement	Agreement dated October 28, 2026 entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Company	Purva Sharegistry (India) Pvt. Ltd
Registrar to the Issue	Purva Sharegistry (India) Pvt. Ltd
Renouncees	Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. November 23, 2026. Such period shall close on November 24, 2026 in case of On Market Renunciation. 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 Renouncee on or prior to the Issue Closing Date i.e. November 30, 2026;
Retail Individual Investors/ RIIs	An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company.
Rights Entitlement (s)/ RES	The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 54 Rights Shares for every 10 Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN 'INE252C20015' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;

SEBI Rights Issue Circulars	The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId =34
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on BSE Limited, working day means all trading days of BSE, excluding Sundays and bank holidays, as per circulars issued by SEBI.
"Specific Investor(s)"	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue and whose name has been disclosed by our Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations.

CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

Term	Description
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CAF	Common Application Form
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
CSR	Corporate Social Responsibility
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996, including subsequent amendments thereto
DIN	Director Identification Number
DP	Depository Participant
DP-ID	Depository Participant's Identification
DR	Depository Receipts
EBITDA	Profit/(loss) before tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting
EPS	Earning per Equity Share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors

Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FY/ Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GNPA	Gross Net Performing Assets
GoI / Government	The Government of India
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India
IST	Indian Standard Time
IT	Information Technology
MCA	The Ministry of Corporate Affairs, Government of India
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NCT	National Capital Territory, Delhi
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE	Account Non-resident external account
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI ICDR Master Circular	SEBI master circular (SEBI/HO/CFD/PoD-1/P/CIR/2024/0154) dated November 11, 2024
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
State Government	Government of a state of India
Securities Act	United States Securities Act of 1933, as amended
STT	Securities transaction tax
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

The distribution of the Draft Letter of Offer, the Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the "**Issue Materials**") and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 81.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their valid 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 Eligible Equity 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 any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Materials shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Materials. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer, the Letter of Offer, and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction or the United States where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 81

Investors can also access the Draft Letter of Offer, the Letter of Offer, and the Application Form from the websites of our Company, the Registrar and the Stock Exchanges.

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of the Issue Materials, including the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders available with the Registrar in their records.

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 this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States or such jurisdiction and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and in India, without the requirement for our Company or our affiliates to make any filing or registration in the United States or any other jurisdiction (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the "*Restrictions on Purchases and Resales*" section beginning on page 81

Our Company, in consultation with the Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying

with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") 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 OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATIONS UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer and Application Form only to Eligible Equity Shareholders, who have provided an Indian address to our Company. Any person who purchases or sells the Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.
Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, unless otherwise specified or if the context requires otherwise, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

FINANCIAL DATA

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements. Our Company prepares its Audited Financial Statements and the Unaudited Financial Results in accordance with Ind AS, Companies Act, 2013 and other applicable statutory and/or regulatory requirements. Our Company publishes its Audited Financial Statements and the Unaudited Financial Results in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For details of the Audited Financial Statements, see "Financial Information of the Issuer" beginning on page 19

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in Lakhs.

CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.
All references to 'U.S. $', 'U.S. Dollar', 'USD' or '$' are to United States Dollars, the official currency of the United States of America.

Sr. No.	Name of the Currency	Exchange rates as on	
		March 31, 2026	March 31, 2025
1.	1 United States Dollar	94.65	85.58

Source: www.fbil.org.in.
Please Note:
One million is equal to 1,000,000/10 lakhs;
One billion is equal to 1,000 million/100 crores;
One lakh is equal to 100 thousand;
One crore is equal to 10 million/100 lakhs

SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the "*Risk Factors*", "*Capital Structure*", "*Objects of the Issue*" and "*Financial Information of the Issuer*" beginning on pages 22, 39, 42 and 19 respectively.

SUMMARY OF OUR BUSINESS

Kanel Industries Limited (CIN: L43299GJ1992PLC017024) was incorporated on January 29, 1992 as a Public Limited Company under the Companies Act, 1956 with Registrar of Companies, Gujarat at Ahmedabad under the name of Kanel Oil and Export Industries Limited, and thereafterthe name of the Company was changed to Kanel Industries Limited w.e.f. December 20, 2011. The Registered Office of the Company is situated at 1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad,Daskroi, Gujarat, India, 380059.

Kanel Industries Limited was earlier engaged in manufacturing and dealing in edible and non edible oils. The Company was out of business since last few years. The Company underwent corporate insolvency resolution proceedings, and the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) approved a Resolution Plan submitted by Ardent Ventures LLP vide its Order dated 23rd October, 2024. The Company is now proposing to engage in trading of a wide range of consumer, commercial, industrial and household products. The Company focuses on identifying business opportunities, sourcing quality products from reliable suppliers and ensuring efficient distribution through a well-managed supply chain. It is committed to providing quality products, timely deliveries and maintaining long-term relationships with its customers and business partners. The Company also has the object of undertaking industrial, residential and commercial development projects and, in future, may pursue such opportunities in line with its long-term business strategy and applicable regulatory requirements.

PROMOTER & PROMOTOR GROUP OF OUR COMPANY

As of the date of this Letter of Offer, the Promoter & Promotor Group of our Company are:

Sr. No.	Name	Category
1.	Ardent Ventures LLP	Promoter

OUR COMPETITIVE STRENGTHS:

1. **Efficient Procurement, Logistics and Distribution**

   The Company is developing a highly streamlined procurement and distribution framework, and efficient workflow, optimized supply chain routes, and reliable logistics network enable timely delivery of traded products and agricultural commodities to customers across multiple regions. This operational efficiency will enhance distribution reliability, reduces lead times, and strengthens customer satisfaction—ensuring we remain a preferred partner for large-volume and time-sensitive supply contracts.

2. **Extensive Industry Knowledge and Market Insights**

   Our Company will continuously strive to attain a thorough understanding of domestic and international market dynamics, supply chain frameworks, client specifications, and agricultural commodity cycles (including supply-demand swings and global cost structures). This extensive market knowledge will enable us to make informed procurement decisions, anticipate demand patterns, offer highly competitive volume pricing, and deliver tailored sourcing solutions to diverse client segments like wholesalers, institutional buyers, and retail networks.

3. Strong and Diverse Supplier Network

We will build a long-standing relationships with trusted manufacturers, primary producers, and agricultural cultivators. Once developed, our robust procurement network will ensure consistent, year-round availability of high-quality products and raw inputs at optimized, volume-negotiated prices. The Company's strong emphasis on transparency, financial discipline, and proactive communication with suppliers will help maintain an agile, stable supply chain and prevents stockouts or operational disruptions.

4. **Robust Quality and Risk Management Practices**

To mitigate inventory, price, and operational risks, the Company will establish stringent quality checkpoints and risk management practices at various stages of sourcing and transit. By implementing modern grade-checking protocols, strict warehousing inspection processes, and adhering to strict regulatory standards, we will minimize transit spoilage, reduce cargo wastage, and ensure contractual compliance. Our proactive monitoring of market price fluctuations and cross-border regulatory developments will enable us to manage trading risks effectively.

5. Commitment to Sustainability and Ethical Sourcing

The Company will follow ethical, responsible, and compliant trading and distribution practices. We will prioritize the sustainable sourcing of agricultural commodities, promote minimized waste across our logistics networks, and adopt energy-efficient warehousing methods wherever possible. Our commitment to sustainable sourcing, fair trade alliances, and responsible agricultural supply chains will give us a powerful competitive advantage and enhances our reputation among modern corporate clients who prioritize ESG-compliant partners.

6. Data-Driven Market Research and Insights

The Company will continuously conduct micro-market research and tracks global pricing trends, geopolitical trade developments, consumer behavior, and competitive distribution strategies. These granular insights will enable us to pivot quickly to changing market needs, introduce high-demand product lines, and maintain optimal pricing structures. Our ability to anticipate supply shortages and evolving industry requirements will help us maintain a distinct edge in terms of market responsiveness.

7. Customer-Centric Distribution Approach

A customer-first philosophy will be central to our core business operations. We will focus on building deep, multi-year relationships by understanding the exact technical and delivery specifications of our clients, offering customized bulk packaging or split-shipment solutions, and executing contracts precisely within stipulated timelines. Our absolute dedication to supply reliability will foster intense customer loyalty, drive high repeat volumes, and help us seamlessly acquire new accounts across various industry sectors.

OUR BUSINESS STRATEGY:

1. Improving Operational Efficiencies

The Company aims to continuously enhance operational efficiency to reduce logistics costs and strengthen our competitive position in the trading and distribution industry. We intend to achieve this through supply chain process optimization, deployment of advanced inventory tracking systems, automated warehouse management, and workforce skill enhancement. Our teams will be consistently encouraged to adopt error-free, precision-driven fulfilment methods. We also intend to leverage economies of scale, robust regional hub networks, and optimized procurement systems that eliminate unnecessary intermediaries to enable cost-effective sourcing of materials and products.

2. Strengthening Quality Assurance

Maintaining high-quality product sourcing and standardized distribution protocols will remain at the core of our business. We aim to continue delivering superior products and commodities that meet the stringent expectations of government departments, corporate entities, commercial clients, and retail distributors. The

Company will follow strict quality control and inspection checks to ensure accurate execution, zero-defect delivery, and highly competitive volume pricing. By further developing our grade-testing mechanisms and optimizing storage infrastructure, we expect to enhance service reliability, increase customer retention, and drive repeat orders.

3. **Increasing Customer Reach**

To address the highly diverse needs of the trading market, we plan to deeply segment our customer base across retail channels, institutional clients, corporate buyers, and industrial processors. This targeted segmentation strategy will help us better understand unique payment, credit, and logistical expectations. Consequently, it will allow us to customize our order volumes and financing terms to improve service delivery across different client profiles.

4. **Adopting Innovative Marketing Methods**

In addition to traditional direct B2B sales cycles and trade network relations, the Company intends to adopt modern outreach methods. These include participating in digital trade exchanges, optimizing online B2B supplier listings, engaging in key industry summits, trade fairs, commodity seminars, and regional networking exhibitions. Such multi-channel initiatives will allow us to connect directly with emerging global and domestic buyers, showcase our massive sourcing capabilities, and unlock fresh business opportunities.

5. **Expanding Geographical Presence**

The Company aims to extend its logistical footprint into additional high-potential economic zones and regional trade lanes to capture emerging market demand. By expanding our domestic distribution nodes, establishing strategic cross-docking hubs, and strengthening our cross-border logistics networks, we expect to significantly broaden our global and domestic customer base, enhance our operational scalability, and drive much higher volumetric trade turnover across markets.

6. **Leveraging Market Expertise and Relationships**

We intend to build long-standing relationships with manufacturers, global suppliers, farming cooperatives, and major distribution partners form a key pillar of our growth blueprint. We also intend to aggressively build upon these relationships through flawless credit histories, timely payment terms, reliable contract execution, and deep ongoing engagement. By maximizing our industry relationships and market-making capabilities, we aim to capture greater wallet share from existing clients while rapidly onboarding new marquee logos.

Intention and extent of participation by our Promoters & Promoter Group

Our Promoter, Ardent Ventures LLP, vide its letter have confirmed that they will forgo their entitlement to equity shares that may arise from such Issue.

The Company had undergone a Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016, pursuant to which a Resolution Plan submitted by Ardent Ventures LLP was approved by the Hon'ble National Company Law Tribunal ("NCLT"). The Hon'ble NCLT, vide its order dated October 23, 2024, approved the Resolution Plan for Kanel Industries Limited, resulting in a substantial acquisition of equity shares (Conversion of Debt into equity) by the Resolution Applicant and a consequent increase in promoter shareholding.

Pursuant to the said Resolution Plan, the Company converted the debt into 1,49,62,500 Equity Shares of face value of ₹10/- each aggregating to ₹14,96,25,000/- to the Resolution Applicant, effective October 23, 2024. As on the date of filing of this Letter of Offer, the Promoters of the Company hold 95% of the paid-up equity share capital of the Company.

Pursuant to implementation of the approved Resolution Plan, the Promoter's shareholding exceeded the prescribed MPS threshold. Accordingly, the Company was required to take appropriate steps to restore compliance with MPS norms. In line with the applicable provisions of the SCRR, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant SEBI circulars, the Company has adopted the Rights Issue method for public shareholders, whereby the Promoters shall forgo their entitlement to equity shares that

may arise from such issue so as to reduce their shareholding in an attempt to meet minimum public shareholding requirements as stipulated under the SEBI Listing Regulations as per the timelines prescribed.

As per SEBI circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 03, 2023 a listed entity shall adopt any one method in order to achieve compliance with the MPS requirements mandated under rules 19(2)(b) and 19A of the SCRR read with regulation 38 of the LODR Regulations. In this regard the company is making a rights issue to only public shareholders and the Promoter/Promoter group shall forgo their entitlement that may arise from such issue and the Promoter/Promoter group shall not be offered any right entitlement/right shares so as to reduce their shareholding in an attempt to meet minimum public shareholding requirements as stipulated under the SEBI Listing Regulations as per the timelines prescribed.

The decision of the Promoter to forgo their entitlement to equity shares is in line with the requirements laid down under the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), particularly Rule 19A(5), which mandates that listed companies must maintain a minimum public shareholding of 25%.

Accordingly, the Promoters/Promoter Group shall not be offered any right entitlement/right shares in the Rights Issue and shall not subscribe to any Rights Shares. Further, the Promoters/Promoter Group have no intention to subscribe to, or acquire, any Equity Shares forming part of the unsubscribed portion of the Rights Issue, whether pursuant to any arrangement for subscription of the unsubscribed portion or otherwise.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 42 of this letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

The Company shall reduce its shareholding in a timely manner to meet the minimum public shareholding requirements in the prescribed timelines as stipulated under the SEBI Listing Regulations, if any. In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved; the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws. For the avoidance of doubt, the Promoters/Promoter Group shall not subscribe to or acquire such unsubscribed portion of the Rights Issue.

Intention to allot the under-subscribed portion of the Issue to any specific investor

In case of any unsubscribed portion of the Rights Issue, our company shall allot such unsubscribed portion of the Rights Issue to one of more specific investor(s) and the name(s) of such specific investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such specific investor(s) shall be made along with their Application Money before finalisation of the Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar. For the avoidance of doubt, the Promoters/Promoter Group shall not subscribe to or acquire such undersubscribed portion of the Rights Issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the Audited Standalone Financial Statements for the Financial Years ended on March 31, 2026 and March 31, 2025.

(₹ in Lakhs)

Particulars	Audited Financial Statements for the period ending	
	F.Y. 2025-26	F.Y. 2024-25
Equity Share Capital	1575.00	1575.00
Net-Worth	1542.83	1590.76
Total Income	3.06	0.51
Profit/ (loss) after tax (excluding comprehensive income/ (loss)	(47.93)	(5.60)
Basic EPS	(0.30)	(0.04)
Diluted EPS	(0.30)	(0.04)
Net asset value per Equity Share	9.79	10.10
Total borrowings (Including current and non-current borrowings)	16.25	35.06

For further details, please refer to section titled **'*Financial Information*'** beginning on page 19 of this Letter of Offer.

AUDITOR QUALIFICATIONS

For details on auditor qualifications, please refer to the section titled **'*Financial Information*'** beginning on page 19 of this Letter of Offer.

OUTSTANDING LITIGATIONS

A summary of outstanding legal proceedings as of the date of this Letter of Offer as disclosed in the section titled ***'Outstanding Litigations, Defaults and Material Developments'*** in terms of the SEBI (ICDR) Regulations and the Materiality Policy is provided below.

As on date of this Letter of Offer, except as stated in this Letter of Offer there are no litigations or proceedings subsisting or existing by or against the Company, Directors, Promoter, summary of outstanding litigation proceedings involving our Company, Directors, and Promoter, is specified as below:

Nature of Entity	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Statutory regulatory proceedings	Disciplinary actions by SEBI or BSE	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	Nil	1	Nil	Nil	Nil	250
Against the Company	Nil	1	Nil	Nil	Nil	15
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil

Confirmations

Neither our Company nor our Subsidiaries or our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations that impacts the business of the Company, and other economic factors, please refer to the section titled **'*Risk Factors*'** beginning on page 22 of this Letter of Offer.

CONTINGENT LIABILITIES

As on date of this Letter of Offer, there are no contingent liabilities as per Ind AS – 37 Provisions and contingent liabilities of our Company.

For details of the contingent liabilities, as reported in the Audited Financial Statements, please refer to the section titled ***'Financial Information'*** beginning on page 19 of this Letter of Offer.

RELATED PARTY TRANSACTIONS

There are no related party transactions as per Ind AS – 24 Related Party Disclosures read with SEBI (ICDR) Regulations for the Financial Year ended March 31, 2026 and March 31, 2025 as per the audited financial statements.

For details of the Related Party Transactions, as reported in Audited Financial Statements, please refer to the section titled ***'Financial Information'*** beginning on page 19 of this Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, Directors, and their relatives have financed the purchase by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEDING THE DATE OF FILING OF THIS LETTER OF OFFER

Our Company has not issued any Equity Shares for consideration other than cash in the 1 (One) year preceding the date of this Letter of Offer.

FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as 'will', 'may', 'aim', 'is likely to result', 'believe', 'expect', 'continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;

2. Changes in laws and regulations relating to the agro sector and industry in which we operate;

3. Increased competition in industries and sector in which we operate;

4. Our ability to achieve our performance, successfully implement our growth strategy and expansion plans and successfully launch and implement various projects and business plans for which funds are being raised through this Issue;

5. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
6. Occurrence of natural disasters or calamities affecting the areas in which we have operations;

7. Any adverse outcome in the legal proceedings in which our Company is involved;

8. Other factors beyond our control;

9. Our ability to manage risks that arise from these factors;

10. Changes in Government policies and Regulatory actions that apply to or affect our business;

11. Conflicts of interest with affiliated companies, the promoter group and other related parties;

12. The performance of the financial markets in India and globally; and

13. We are affected by volatility in interest rates, adversely affecting our net interest income;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled **'*Risk Factors*'** beginning on page 22 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE's requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares.

The risks described in this section are those that we consider to be the most significant and material to our business, financial condition, results of operations, and cash flows as of the date of this Letter of Offer. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, and the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the consequences they could encounter in investing in the Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to 'we', 'us', and 'our' refers to our Company.

INTERNAL RISK FACTOR

1. ***Our trading and distribution business is dependent on the availability and timely procurement of products from suppliers.***

   Our business is dependent on the continuous availability of products from manufacturers, distributors and other suppliers. Any disruption in procurement due to supply chain constraints, production interruptions, transportation bottlenecks, import restrictions, regulatory changes, natural calamities,

geopolitical events or other unforeseen circumstances may adversely affect our ability to fulfil customer orders. In addition, shortages of products or delays in procurement may increase procurement costs and adversely affect our business operations, financial condition and results of operations.

2. ***Our business is dependent on a limited number of suppliers, and any disruption in their operations may adversely affect our business.***

   We procure a significant portion of our products from a limited number of suppliers. Any deterioration in the financial condition of our suppliers, discontinuation of supply arrangements, failure to supply products of required quality or quantity, production interruptions or delays in deliveries may adversely impact our operations. Since we may not have long-term supply agreements with all suppliers, there can be no assurance that alternative sources will be available on commercially acceptable terms.

3. ***Delays or defaults in customer payments may adversely affect our liquidity and working capital.***

   Our business requires substantial working capital for procurement and distribution of products. Delays or defaults in collection of receivables from customers may adversely affect our liquidity, increase borrowing requirements and impact our ability to meet operational commitments. In addition, any increase in doubtful debts or bad debts may adversely affect our financial performance.

4. ***Our inventory management is subject to various risks, and any inability to effectively manage inventory may adversely affect our operations.***
   We are required to maintain adequate inventory to ensure uninterrupted supply to customers. Excess inventory may result in higher storage costs, deterioration, obsolescence or inventory losses, while inadequate inventory may lead to inability to meet customer demand and loss of business opportunities. Any failure to effectively manage inventory may adversely affect our profitability and financial condition.

5. ***Our operations are proposed to be geographically concentrated in Gujarat and Rajasthan, and adverse developments in this region may affect our business***
   The Company has undergone the Corporate Insolvency Resolution Process ("CIRP") and, pursuant to the approval and implementation of the Resolution Plan, is in the process of revival and recommencement of its business operations. The Company proposes to commence/revive its operations initially in the State of Gujarat and Rajasthan and accordingly expects its operations and customer base to be concentrated in this region during the initial phase of revival. As the Company's operations recommence and stabilize, its geographical spread and customer base may evolve.
   Any adverse developments in Gujarat and Rajasthan, including economic slowdown, political disturbances, labour unrest, infrastructure disruptions, regulatory changes, natural disasters or other regional events, may adversely impact customer demand, supply chain efficiency and our business operations.

6. ***We operate in a highly competitive industry, and increased competition may adversely affect our business.***

   The trading and distribution industry is highly competitive and includes organized as well as unorganized participants. Competition is based on pricing, product availability, customer relationships, credit terms, distribution network and service quality. Increased competition may result in pricing pressures, lower margins, loss of market share and reduced profitability.

7. ***We are dependent on efficient logistics and transportation infrastructure.***

   Our business requires timely transportation and delivery of products to customers. Any disruption arising from transportation delays, fuel price increases, vehicle shortages, strikes, infrastructure bottlenecks, regulatory restrictions or failure of third-party logistics providers may adversely affect our ability to deliver products on schedule and may adversely impact customer satisfaction and profitability.

8. ***We are exposed to credit risks arising from our customers.***

   We extend credit facilities to certain customers in the ordinary course of business. Any deterioration in customers' financial condition, insolvency, bankruptcy or inability to recover outstanding receivables may result in bad debts and adversely affect our financial condition, cash flows and profitability.

9. ***We are subject to various laws and regulations, and changes in the regulatory framework may adversely affect our business.***

Our operations are governed by various laws relating to taxation, GST, Companies Act, labour laws, environmental regulations, warehousing, transportation and other applicable regulations. Any changes in the regulatory environment, increase in compliance requirements or failure to comply with applicable laws may result in increased costs, penalties, litigation or operational disruptions.

10. ***We depend on our promoters, senior management and key personnel for the success of our business.***

Our continued success depends upon the experience, expertise and continued services of our promoters, directors, senior management and key employees. The loss of any of these personnel or inability to attract and retain qualified employees may adversely affect our operations, customer relationships, strategic initiatives and future growth.

11. ***Our business is dependent on working capital financing, and any inability to obtain adequate funding may adversely affect our operations.***

Our trading business requires significant working capital for procurement of products, maintenance of inventory and extension of credit to customers. Any inability to obtain adequate working capital financing on acceptable terms or withdrawal of existing credit facilities may adversely affect our business operations, growth plans and financial performance.

12. ***Any adverse publicity or damage to our reputation may negatively affect our business.***

Our reputation is critical to maintaining customer confidence and business relationships. Any adverse publicity relating to product quality, customer service, business practices, regulatory actions, litigation or other matters may adversely affect our reputation, customer confidence, revenues and future business opportunities.

13. ***Our business is subject to risks arising from information technology systems and cybersecurity incidents.***

Our operations depend on information technology systems for inventory management, accounting, procurement, customer relationship management and business operations. Any failure of IT systems, cyberattacks, unauthorized access, ransomware incidents, data breaches or technology disruptions may interrupt our operations, result in financial losses and adversely affect our reputation.

14. ***We may not be able to successfully implement our growth and expansion strategies.***

Our future growth depends upon our ability to expand our customer base, supplier network, product portfolio and geographical presence. Such expansion may require additional capital, management resources and operational capabilities. There can be no assurance that our expansion strategies will be successful or generate the anticipated returns, and failure to execute such strategies may adversely affect our business and financial performance.

ISSUE SPECIFIC FACTORS

15. ***Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such

distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

16. There is no public market for the Rights Equity Shares or Equity Shares outside India.

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

17. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is November 24, 2026), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

18. SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see ***'Terms of the Issue'*** on page 56 of this Letter of Offer.

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 dematerialised form; and (ii) a demat suspense escrow account (namely being KANEL INDUSTRIES LTD RIGHTS ESCROW DEMAT ACCOUNT) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- Equity Shares held in the account of IEPF authority; or
- The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or.
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings.

19. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

20. ***Investors shall not have the option to receive Rights Equity Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

21. ***The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular bearing reference number '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 Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled ***'Terms of the Issue'*** on page 56 of this Letter of Offer.

22. ***Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

23. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

24. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

25. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

26. There is no guarantee that our Right Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the BSE Limited. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled ***'Terms of the Issue'*** beginning on page 56 of this Letter of Offer.

27. No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

28. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

29. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

30. SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

31. Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

32. If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.

The Minimum subscription, this is to submit that the objects of the Issue are meeting the Working Capital Requirements, However, promoter of the company will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within such period as may be prescribed under applicable law. Further, in the event, there is delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law.

EXTERNAL RISK FACTORS:

33. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, and results of operations.

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of

our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, and loss of life, injuries and impact the wellbeing of our people. Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

34. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ('IFRS'), which investors may be more familiar with and consider material to their assessment of our financial condition.

The Financial Statements of our Company for the Financial Year ending March 31, 2026 and March 31, 2025 have been prepared in accordance with the Ind AS, the Companies Act, 2013.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

35. Political, economic, or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance. We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition.

Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

36. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Changes in India's tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

37. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The Government of India has issued a notification dated September 29, 2016, notifying Income Computation and Disclosure Standards (hereinafter referred to as 'ICDS'), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition. The General Anti Avoidance Rules (hereinafter referred to as 'GAAR') have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our

current business or restrict our ability to grow our business in the future. Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

38. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

39. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

40. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing

sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition. Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

41. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

42. ***We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

43. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have

implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on 30th July, 2026, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board or the Rights Issue Committee at its meeting held on October 30, 2026.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in ***'Terms of the Issue'*** on page 56 of this Letter of Offer.

Rights Equity Shares being offered by our Company	42,52,500 Equity shares issued on fully paid-up basis.
Rights Entitlement	54 Rights Equity Share(s) for every 10 fully paid-up Equity Share(s) held on the Record Date
Record Date	November 13, 2026;
Rights Entitlement	54 (Fifty Four) Equity Share for every 10 (Ten) Equity Shares held on the Record Date;
Record Date	November 13, 2026;
Face Value per Equity Share	₹10.00/- (Rupees One Only) each;
Issue Price per Equity Share	Rs. 39.95 per Rights Equity Share.
Issue Size	Issue of up to 42,52,500 fully paid-up Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. 39.95 (including a premium of Rs. 29.95 per Rights Equity Share) per Equity Share for an amount aggregating to ₹ 16,98,87,375 (Assuming Full Subscription)
Equity Shares issued, subscribed and paid-up prior to the Issue	1,57,50,000 Equity Shares of face value of Rs. 10/- each.
Equity Shares issued, subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,00,02,500 Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to the Rights issue shall rank pari passu in all respects with the existing Equity Shares of our Company.
Security Code/ Scrip Details	**ISIN**: **INE252C01023** **BSE Scrip ID**: **KANELIND** **BSE Scrip Code**: **500236** **ISIN for Rights Entitlements**: INE252C20015
Terms of the Issue	Please refer to the section titled **'*Terms of the Issue*'** beginning on page 56 of this Letter of Offer;
Use of Issue Proceeds	Please refer to the section titled ***'Objects of the Issue'*** beginning on page 42 of this Letter of Offer;
Issue Open Date	November 23, 2026
Last date for On Market Renunciation of Rights	November 24, 2026
Issue Close Date	November 30, 2026

* For details in relation to fractional entitlements, see "Terms of the Issue – Basis for the Issue and Terms of the Issue – Fractional Entitlements" on page 56.

TERMS OF PAYMENT

The full amount of Issue Price Rs. 39.95 per Rights Equity Share is payable on Application.

GENERAL INFORMATION

Our Company was incorporated on January 29, 1992 as a Public Limited Company under the Companies Act, 1956 with Registrar of Companiesd, Gujarat at Ahmedaba under the name of 'Kanel Oil and Export Industries Limited'. Thereafter, the name of the Company was changed to Kanel Industries Limited on December 20, 2011. The Company made a public offer on 30th May, 1994 and got listed its Equity Shares on BSE Limited (Designated Stock Exchange).

REGISTERED OFFICE

Company	KANEL INDUSTRIES LIMITED
Registered Office Address	1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059
Corporate Office Address	1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059
Contact Number	+916354437779
Email-ID	ardent.ind99@gmail.com
Website	www.kanel.in
Corporate Identification Number	L43299GJ1992PLC017024

CHIEF FINANCIAL OFFICER

Ms. Shagun Rathi
Address: A-11, Aagam Apartment, Near Adani CNG, Opp. Motera Cross Road BRTS, Sabarmati, Ahmedabad-380005, Gujarat, India.
Contact Number: 9825453121
Email: shagun.rathi193@gmail.com

STATUTORY AUDITORS

M/s N.S. Nanavati & Co
Address: 6, "Shri Nívas", Ghanshyam Plot, Veraval-362265, Gir-Somnath (Guj.)
Firm Registration Number: 134235W
Contact Number: 09998962014
E-mail ID: nanavatinitesh@gmail.com

BANKER TO THE ISSUE AND REFUND BANKER

Name: Axis Bank Ltd
Address: Ground and First Floor, Westport, F.P.No.80 (R.S.No.801), TP Scheme 216 (Shilaj), Near Taj Hotel, Sindhu Bhavan Road, Ahmedabad-380059, Gujarat
Contact Number: +919167674129
E-mail: sbrwestport.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Bijal Sejal
SEBI Registration No.: INBI00000017

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Issue Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ***'Terms of the Issue'*** beginning on page 56 of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

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 at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and 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 above-mentioned link.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE Limited.

CREDIT RATING

As this proposed Issue is of Rights Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Rights Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Our Company has appointed Brickworks Ratings India Private Limited as the Monitoring Agency to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

MINIMUM SUBSCRIPTION

In accordance with Regulation 86(1) of the SEBI ICDR Regulations, the minimum subscription to be received in the Issue shall be at least 90% of the Issue Size.

Accordingly, if the Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, or if the subscription level falls below 90% of the Issue Size, the Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date, in accordance with SEBI Circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

In case of any delay in refund of the subscription amount beyond the period prescribed under applicable laws, the Company shall pay interest for the delayed period at such rate as may be prescribed under applicable laws.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Monday, November 16, 2026
Issue Opening Date	Monday, November 23, 2026
Last Date for On Market Renunciation of Rights Entitlements#	Tuesday, November 24, 2026
Issue Closing Date*	Monday, November 30, 2026
Finalization of Basis of Allotment (on or about)	Tuesday, December 01, 2026
Date of Allotment (on or about)	Wednesday, December 02, 2026
Date of credit (on or about)	Thursday, December 03, 2026
Date of listing/ Trading (on or about)	Friday, December 04, 2026

Note:

The above timetable is indicative in nature and does not constitute any obligation on the Company. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed by this date.*

The Board of Directors or the Finance and Admin Committee will have the right to extend the Issue period as it may determine from time to time, provided issue will not remain open in excess of 30(Thirty) days from the issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that the eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, who have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date i.e November 30, 2026 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date i.e November 30, 2026. Further, 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. For details, see '***Terms of the Issue***' beginning on page 56 of this DLOF.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. 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 with 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.

FILING

The Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, the Letter of Offer will be filed with the Stock Exchanges and with SEBI in accordance with SEBI ICDR Regulations

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(In ₹, except share data, or unless stated otherwise)

Particulars	Aggregate Nominal Value (₹)	Aggregate Value at Issue Price (₹in Lakhs)
Authorized Share capital		
2,00,00,000 Equity Shares (of face value of ₹10 each)	20,00,00,000	2000
Issued, subscribed and paid-up Share capital before this Issue		
1,57,50,000 (One-Crore Fifty-Seven Lakh and Fifty Thousand) Equity Shares of Rs.10/- (Rupee Ten) each	15,75,00,000	1575
Present Issue in terms of this Letter of Offer[(a) (b)]		
42,52,500 Rights Equity Shares, each at an Issue Price of ₹39.95/- including premium of ₹29.95/- per Rights Equity Share	16,98,87,375	1698.87
Issued, subscribed and paid-up Equity Share capital after the Issue[I]		
2,00,02,500 Equity Shares	₹20,00,25,000/-	
Securities premium account		
Before the Issue	0	
After Rights Issue	₹12,73,62,375/-	
After all Calls made in respect of Rights Shares	₹12,73,62,375/-	

(a) The present Issue has been authorized by the Board of Directors of the Company by a resolution passed in its meeting held on 30th July, 2026;

(b) Assuming full subscription and receipt of monies with respect to Rights Shares;

(c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.

2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

3. As on the date of this Letter of Offer, our Company has not issued any special voting Rights Shares and there are no outstanding Equity Shares having special voting rights.

4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 49.08 (Rupees Forty-Nine and Eight Paisa Only).

5. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares - NA

6. Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Letter of Offer, promoter and promoter group hold Equity Shares as per below. No shares held by the promoter and promoter group are pledged or encumbered.

Sr. No.	Name of Promoter / Promoter Group	Category	No. of Shares Held	No. of Shares in Lock in
1.	Ardent Ventures LLP	Promoter	1,49,62,500	7,87,500

8. Details of Equity Shares acquired by the Promoter and promoter group in the last one year prior to the filing of this Letter of Offer

The Promoter and Promoter Group of the Company have not acquired any Equity Shares in the last one year prior to the filing of this Letter of Offer.

9. Intention and extent of participation by our Promoters & Promoter Group

The Company had undergone a Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016, pursuant to which a Resolution Plan submitted by Ardent Ventures LLP was approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"). The Hon'ble NCLT, vide its order dated October 23, 2024, approved the Resolution Plan for Kanel Industries Limited, resulting in a substantial acquisition of equity shares (Conversion of Debt into equity) by the Resolution Applicant and a consequent increase in promoter shareholding.

Pursuant to the said Resolution Plan, the Company converted the debt into 1,49,62,500 Equity Shares of face value of ₹10/- each aggregating to ₹14,96,25,000/- to the Resolution Applicant, effective October 23, 2024. As on the date of filing of this Letter of Offer, the Promoters of the Company hold 95% of the paid-up equity share capital of the Company.

As per SEBI Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 03, 2023 a listed entity shall adop any one method in order to achieve compliance with the MPS requirements mandated under rules 19(2)(b) and 19A of the SCRR read with regulation 38 of the LODR Regulations. In this regard the company is making a rights issue to only public shareholders and the Promoters shall forgo their entitlement to equity shares that may arise from such issue and the Promoter/Promoter group shall not be offered any right entitlement/right shares so as to reduce their shareholding in an attempt to meet minimum public shareholding requirements as stipulated under the SEBI Listing Regulations as per the timelines prescribed.

Accordingly, the Promoters/Promoter Group shall not be offered any right entitlement/right shares in the Rights Issue and shall not subscribe to any Rights Shares. Further, the Promoters/Promoter Group have no intention to subscribe to, or acquire, any Equity Shares forming part of the unsubscribed portion of the Rights Issue, whether pursuant to any arrangement for subscription of the unsubscribed portion or otherwise.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 42 of this letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

The Company shall reduce its shareholding in a timely manner to meet the minimum public shareholding requirements in the prescribed timelines as stipulated under the SEBI Listing Regulations, if any. In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved; the Board of Directors shall dispose of such unsubscribed portion to specific investor(s) in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws. For the avoidance of doubt, the Promoters/Promoter Group shall not subscribe to or acquire such unsubscribed portion of the Rights Issue.

10. Shareholding Pattern of our Company as per the last filing made with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations

The shareholding pattern of our Company as on June 30, 2026, i.e., as per the last filing with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on its website is specifically mentioned as follows:

Particulars of Statement showing shareholding pattern of	URL of BSE Limited's Website
The Company	https://www.bseindia.com/stock-share-price/kanel-industries-ltd/kanelind/500236/qtrid/130.00/shareholding-pattern/jun-2026
The Promoter and Promoter Group	https://www.bseindia.com/corporates/shppromoterngroup?scripcd=500236&qtrid=130.00&QtrName=Jun-26
The Public shareholder	https://www.bseindia.com/corporates/shppublicshareholder?scripcd=500236&qtrid=130.00&QtrName=Jun-26
The Non-Promoter – Non Public shareholder	https://www.bseindia.com/corporates/shpnonpropublic?scripcd=500236&qtrid=130.00&QtrName=Jun-26
Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares	https://www.bseindia.com/corporates/shpdrpercnt?scripcd=500236&qtrid=130.00&CompName=Kanel%20Industries%20Ltd&QtrName=Jun-26&Type=TM
Statement showing details of significant beneficial owners	https://www.bseindia.com/corporates/sbo?code=380544&scripcd=500236&qtrid=130.00&CompName=Kanel%20Industries%20Ltd&QtrName=Jun-26
Statement showing foreign ownership limits	https://www.bseindia.com/corporates/shpforeignownership?scripcd=500236&qtrid=130.00&QtrName=Jun-26

11. Details of the Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of our Company

The table below sets forth details of Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of our Company, as of June 30, 2026:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1	ARDENT VENTURES LLP	1,49,62,500	95.00

OBJECTS OF THE ISSUE

The Company proposes to utilize the net proceeds from the issue towards funding the following objects:

1. Working capital requirement,
2. General corporate purposes, and
3. Meeting the issue expenses.

Besides the above objects, the issue is also proposed to achieve the minimum public shareholding of 25% in terms of the SEBI Circular No. SEBI/HO/CFD/PoD2/ P/CIR/2023/18 dated February 03, 2023

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	1700.00
Less: Estimated Issue related Expenses	30.00
Net Proceeds from the Issue	**1670.00**

Notes: The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.
#Rounded off to two decimal places.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by the Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Working Capital Requirement	1300.00
2.	General Corporate Purposes[#]	370.00
Total Net Proceeds[@]		**1670.00**

 # In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);
@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio and to be finalized on determination of Issue Price.
The issue size will not exceed ₹ 1700 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution.

This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

Our Company has agreed to use the issue Proceeds, the details of which are specified as under:

1. Working capital purposes.

This is to Certify that Kanel Industries Limited ("Company") having Corporate Office at 1503, Westport, Sindhu Bhavan Road, Nr. S P Ring Road, Ahmedabad - 380059, Gujarat, India, has a working capital requirement for FY 2026-27 and FY 2027-28 as mentioned below. The working capital requirement is calculated on the basis of the projections submitted by the Company. The assumption methodology adopted by the company has not been checked. The Figures for the FY 2023-24, 2024-25 and 2025-26 are based on the balance sheet of the Company prepared as per IND AS. It is expected that there may be differences between actual and estimated results, and actual results may be at variance than those provided by the Company.:

Rs. In Lakhs

Particulars	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028
	(Audited)	(Audited)	(Audited)	(Pro3jected)	(Projected)
Sundry Debtors	291.04	0	0.15	616.44	739.73
Inventory	0	0	0	493.15	591.78
Other Current Assets and Short-Term Loans and Advances	179.53	0.27	6.24	225.00	200.00
Cash and cash equivalents	01.04	03.18	01.91	264.85	128.38
Total Current Assets	471.61	03.45	08.15	**1599.44**	**1659.89**
Sundry Creditors	110.39	0.00	01.02	273.97	328.77
Other current liabilities and short-term provisions	86.62	10.00	10.11	25.00	31.00
Borrowings	87.64	0.00	0.00	0	0
Total Current Liabilities	284.65	10.00	11.13	**298.97**	**359.77**
Working Capital Gap	186.96	-6.55	-2.98	1300.47	1300.12
Source of Working Capital					
Proceeds from Rights Issue for working Capital	*	NA	NA	**1300.00**	0
Cash Accruals	*	NA	NA	0	0
Unsecured Loan from Directors	*	NA	NA	**0**	0
Total	*	**NA**	**NA**	**1300.00**	0

Note: The estimates of the working capital requirements for the Financial Years ended March 31, 2027 and March 31, 2028 have been prepared based on the management's set of assumptions about future financial performance and future events.

***Note:** Please note that the NCLT order approving the Resolution Plan was passed on 23.10.2024. The company came under the management of the promoters only subsequent to the approval of the Resolution Plan.

Accordingly, the working capital gap pertaining to FY 2023-24, i.e., the period prior to the promoters taking over the management of the company, is not known to us and cannot be ascertained based on the information currently available.

Assumption of Holding Period **In No. of Days**

Particulars	*31-03-2024	*31-03-2025	*31-03-2026	31-03-2027	31-03-2028
Trade Receivables Holding period (Days of Sales)	#More than 365 Days	0	#Approx 30 Days	90	90
Inventory Holding period (Days of Sales)	0	0	0	90	90
Trade Payables Holding Period (Days of Purchase)	More than 365 Days	0	$Approx 30 Days	50	50

*** During FY 2023-24, FY 2024-25, and FY 2025-26, the Company was in the process of implementing the Resolution Plan, as a result, all fresh commercial trading activities were suspended, yielding Nil (zero) Revenue from Operations and zero operational purchases.**

 # The holding period purely reflects legacy receivables carried forward from prior years, with minimal inflows relating solely to the recovery of these old dues.

$Because no revenue was generated during the preceding three years of insolvency, the current 30-day baseline reflects the initialization of strict credit terms under the new management as nascent business operations begin scaling up.

Assumption for Working Capital requirements

Particulars	Assumptions made and justification
Current Assets	
Trade Receivables Holding period	It assumes a linear distribution of credit sales and a stable collection efficiency throughout the period to prevent seasonal spikes or one-off large orders from distorting the average. These assumptions standardize liquidity comparisons across different timeframes and ensure the metric accurately reflects the actual velocity of cash conversion from credit to capital.
Inventory Holding period	It assumes a consistent flow of inventory procurement and consumption throughout the period, without significant fluctuations due to seasonal demand, bulk purchases, or exceptional stocking decisions. These assumptions prevent abnormal inventory levels at any point in time from distorting the holding period. As a result, the metric provides a standardized measure of how efficiently inventory is converted into sales under normal operating conditions.
Current Liabilities	
Trade Payables	It assumes a uniform pattern of purchases and timely settlement of supplier dues in accordance with established credit terms throughout the period. This helps eliminate the influence of delayed payments, early settlements, or isolated high-value procurements on the average payable period. These assumptions ensure that the metric accurately represents the entity's normal credit utilization from suppliers.

2. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ 1670 Lakhs, towards general corporate purposes and the business requirements of our Company as approved by the management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

3. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Shares on BSE Limited.

Activity	Estimated Expense (₹ in Lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	15	50%	0.88%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses.	7	23.33%	0.41%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	8	26.67%	0.47%
Total estimated Issue expenses*	**30**	**100%**	**1.76%**

** Subject to finalization of Basis of Allotment and actual Allotment.*

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards ***'Objects of the Issue'***.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILIZATION OF FUNDS

Our Company has appointed Brickworks Ratings India Private Limited as the Monitoring Agency for the Issue, including the proceeds proposed to be utilized towards working capital purposes, in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Gross Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Gross Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Board of Directors without any delay, till 100% of the Gross Proceeds have been utilized. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds, which shall discuss, monitor and approve

the use of the Gross Proceeds along with our Board. Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds have been fully utilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Gross Proceeds shall be certified by the Statutory Auditors of our Company, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects. This information will also be published on our website and explanation for such variation (if any) will be included in our directors' report, after placing it before the Audit Committee.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the ***'Postal Ballot Notice'***) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules, and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoter, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our directors, or Key Managerial Personnel. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

To,
KANEL INDUSTRIES LIMITED
1503, WESTPORT, Sindhu Bhavan Road, Nr. S P Ring Road,
Ahmedabad, Shilaj, Ahmedabad, Daskroi,
Gujarat, India, 380059

Dear Sir/Ma'am,

Subject: Proposed rights issue of equity shares of face value of Rs. 10 each ("Equity Shares") by KANEL INDUSTRIES LIMITED (the "Company", and such rights issue, the "Issue")

1. We hereby confirm that the enclosed statement (Annexure A), prepared by the Company provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (read with Income Tax Rules, regulations, circulars, notifications) as amended from time to time. (hereinafter referred to as " IT Act"), as applicable to financial year 2025-2026 relevant to the assessment year 2026-2027, presently in force in India.

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

4. We do not express any opinion or provide any assurance as to whether:

    a) the Company or its shareholders will continue to obtain these benefits in future;
    b) the conditions prescribed for availing the benefits have been / would be met with; and
    c) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For N.S. NANAVATI & CO.,
Chartered Accountants

Sd/-
CA NITESH NANAVATI
Proprietor
Membership No: 143769
Date: 30.07.2026
Place: Ahmedabad

Annexure A

Statement of Special Tax Benefits available to the Company, its material subsidiary and Shareholders

There are no special tax benefits available to the Company, its material subsidiaries and its Shareholders under Tax Laws.

BOARD OF DIRECTORS

The composition of the Board is governed by and in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in general meeting, our Company shall not have less than three Directors and not more than fifteen Directors.

As on date of this Letter of Offer, our Company currently has 4 (Four) directors on its Board, 1 (One) Executive Director, 2 (Two) Independent Directors and 1 (One) Non-Executive Non-Independent Director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, Address, Designation, Occupation, Date of expiration of the current term, DIN and Date of birth	Age (in years)	Designation
Keyoor Madhusudan Bakshi ***Address***: E-704, Maple Tree, Near Surdhara Circle, Ahmedabad-380052, Gujarat ***Occupation****: Business* ***Date of Appointment****: 25/10/2024* ***DIN***: 00133588 ***Date of birth****: 31.05.1957*	69 Year	Executive Director
Harshit Maulinbhai Kachchhi ***Address***: C-1301, Riviera Springs, Sky City, Shela, Ahmedabad-380058, Gujarat ***Occupation****: Business* ***Date of Appointment:*** *25/10/2024* ***DIN***: 08019394 ***Date of birth****:22.02.1986*	40 Year	Non-Executive Director
Pooja Khakhi **Address:** 13, Akshardham Row House, Jivraj Park, Vejalpur, Ahmedabad-380051, Gujarat **Occupation:** Business ***Date of Appointment*****:** 30/07/2026 **DIN:** 07522176) **Date of birth:** *03.08.1992*	34 Years	Non - Executive Independent Director
Bhavin Arvindbhai Mehta **Address:** Megha 2 Golden Park, Rajkot-360005, Gujarat **Occupation:** Business ***Date of Appointment*****:** 23/01/2025 **DIN:** 00023850 **Date of birth:** *02.09.1976*	50 Year	Non - Executive Independent Director

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the Stock Exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

Past Directorships in delisted companies

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

Relationship between Directors

Except as stated below, **none of the Directors are related to each other** within the meaning of the Companies Act, 2013, as on the date of this Letter of Offer.

Mr. Harshit Maulinbhai Kachchhi (DIN: 08019394) and Mr. Keyoor Madhusudan Bakshi (DIN: 00133588) are related to each other as Mr. Harshit Maulinbhai Kachchhi is son-in-law of Mr. Keyoor Madhusudan Bakshi.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Management Organizational Structure



CORPORATE GOVERNANCE

We are in compliance with the requirements of the Companies Act, 2013 and provisions of the SEBI (LODR) Regulations, in respect of corporate governance including in respect of the constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

KEY MANAGERIAL PERSONNEL

Sr. No.	Particulars	Designation
1	Ms. Shagun Rathi	CFO, CS and Compliance Officer

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Set forth below is an extract from the Fiscal 2026 Audited Financial Statements and Fiscal 2025 Audited Financial Statements and prepared in accordance with applicable accounting standards, as disclosed to the Stock Exchanges, along with a comparative period for March 31, 2025, respectively:

(*₹ in lakhs, except per share data*)

Particulars	**For the year ended / as at March 31, 2026**	**For the year ended / as at March 31, 2025**
Total income from operations	3.06	0.51
Net profit before tax and exceptional items	-35.06	-05.60
Net profit after tax and exceptional items	-47.93	-05.60
Equity share capital	1575.00	1575.00

Reserves and surplus	-32.17	15.76
Net worth	1542.83	1590.76
Basic Earnings per share (of ₹1 each) (not annualised)	-0.30	-0.04
Diluted Earnings per share (of ₹1 each) (not annualised)	-0.30	-0.04
Return on net worth (%)	-	-
Net Asset Value per Share	9.79	10.10

Notes:
Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year.
Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares.
Return on net worth: Net Profit for the year /Average Net Worth.
Net Asset value per share: Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year.

The Fiscal 2026 Audited Standalone Financial Statements of our Company is uploaded on the website of our Company at https://www.bseindia.com/xml-data/corpfiling/AttachHis/dfec03d5-7273-44f6-90d4-a0d7f2a9f6eb.pdf

Detailed rationale for the Issue Price

The Issue Price will be determined by our Company on the basis of various qualitative and quantitative factors as described below:

Qualitative factors

Qualitative Factors Forming the Basis for Computing the Issue Price

Quantitative factors

1. Established Trading and Distribution Capabilities

Kanel Industries Limited has established capabilities in trading, sourcing, procurement and distribution of a wide range of products across diverse markets. The Company's business model enables it to identify market opportunities, procure products from reliable suppliers and efficiently distribute them to customers through an organized supply chain. Its operational flexibility allows the Company to adapt to changing customer requirements and evolving market conditions.

2. Diversified Business Objects Providing Growth Opportunities

The Company's Memorandum of Association permits it to undertake a broad spectrum of business activities, including trading, distribution, import, export, wholesale and retail marketing of various goods and products, as well as undertaking industrial, residential and commercial development activities. This diversified business framework provides the Company with the flexibility to explore new business opportunities and expand into additional markets based on commercial viability and prevailing economic conditions.

3. Strong Supplier and Customer Relationships

The Company believes that maintaining long-term relationships with suppliers, manufacturers, distributors and customers is fundamental to its business. Through timely execution, transparent business practices and customer-focused service, the Company seeks to strengthen its supply chain and build a stable customer base. These relationships assist in ensuring continuity of supplies and enable the Company to respond efficiently to customer requirements.

4. Experienced Management Team

The Company is led by an experienced management team with knowledge of trading, procurement, business development and commercial operations. The management's understanding of market dynamics, sourcing strategies and customer requirements enables the Company to make informed business decisions and pursue growth opportunities while managing operational risks.

5. Efficient Procurement and Supply Chain Management

The Company's business model focuses on efficient procurement, inventory management and timely distribution of products. It continuously monitors supplier performance, product availability and logistics to optimize operational efficiency, reduce

procurement costs and improve customer service. The Company believes that effective supply chain management is a key factor in maintaining competitiveness.

6. Focus on Market Opportunities and Business Expansion

The Company continuously evaluates emerging market opportunities, customer demand, pricing trends and industry developments to expand its business operations. Its broad object clause enables it to diversify into new product categories and business segments, subject to market conditions and applicable regulatory requirements. This provides the Company with the flexibility to pursue sustainable long-term growth.

7. Commitment to Corporate Governance and Risk Management

The Company is committed to maintaining sound corporate governance practices, internal controls and compliance with applicable laws and regulations. It continuously evaluates operational, financial and regulatory risks and implements appropriate risk management measures to safeguard its business interests and enhance long-term shareholder value.

8. Revived Business Platform Pursuant to an Approved Resolution Plan

Pursuant to the successful implementation of the Resolution Plan approved under the Insolvency and Bankruptcy Code, 2016, the Company has resumed its business operations under a restructured framework. The Resolution Plan provides an opportunity for the Company to strengthen its financial position, rebuild stakeholder confidence and pursue future business opportunities with renewed strategic focus. The Company believes that the revised management structure and business strategy will support sustainable growth over the long term.

Quantitative factors

Quantitative Factors Forming the Basis for Computing the Issue Price

Quantitative factors

1. Basic and diluted earnings per Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal/ period ending	Basic EPS[(1)] (₹)	Diluted EPS[(2)] (₹)
March 31, 2026	-0.30	-0.30
March 31, 2025	-0.04	-0.04

[(1)] Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year/period
[(2)] Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year/period as adjusted for effective of dilutive equity shares
[(3)] Not annualized

2. Net Asset Value per share

Fiscal ending	Book value per share (₹)
March 31, 2026	9.79
March 31, 2025	10.10

Note: Net Asset value per share: Net Worth including non-controlling interest/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year/period

3. Return on Net-Worth

Fiscal ending	Return on Net-Worth (%)[(1)]
March 31, 2026	-
March 31, 2025	-

[(1)]Return on net worth: Percentage of Net Profit for the year/period /Average Net Worth
[(2)]Not annualised

The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 49.08 per Equity

Share. The Issue Price is 3.995 times the face value of the Equity Share.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on 30th July, 2026, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated 30th July, 2026. Further, our Rights Issue Committee pursuant to its resolution dated 30th July, 2026 has approved the Draft Letter of Offer. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board or the Rights Issue Committee at its meeting held on October 30, 2026.

The Board or the Rights Issue Committee, in its meeting held on October 30, 2026 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at the Issue Price of ₹ 39.95 per Rights Equity Share of face value of ₹10 each (including a premium of ₹29.95 per Rights Equity Share) aggregating up to ₹16,98,87,375* in the ratio of 54 Rights Equity Shares for every 10 fully paid-up Equity Shares of face value of ₹10 each, held as on the Record Date.

*Assuming full subscription in the Issue, Allotment and receipt of application Monies with respect to the Rights Equity Shares. Subject to finalization of Basis of Allotment.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to the letter dated October 23, 2026 . Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: INE252C20015 for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “Terms of the Issue” beginning on page 56.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, and persons in control of our Company have not been and are not debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Letter of Offer.

None of the companies with which our Promoter or our Directors are associated with as promoter or directors have been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor any of our Directors, have been declared a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender as defined under SEBI (ICDR) Regulations.

As on the date of this Letter of Offer, our Equity Shares are not suspended from trading.

PROHIBITION BY RBI

Neither our Company, nor our Promoter or any of our Directors, have been categorized or identified or declared as a Wilful Defaulter or Fraudulent Borrower.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Bombay Stock Exchange (BSE). Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the BSE and has received their in-principle approvals through the letter dated October 23, 2026 for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Compliance with SEBI Listing Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

The disclosures in this Letter of Offer are in terms of Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. The Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Nagpur Maharashtra India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT 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 OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING

TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES

FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THE LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Filing

The Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, the Letter of Offer will be filed with the Stock Exchanges and with SEBI in accordance with SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard.

Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Purva Sharegistry (India) Pvt. Ltd, is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our directors.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. Further, our Company, has redressed all the complaints received for the three months period ending June 30, 2026.

Investors may contact the Registrar or our directors for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "Terms of the Issue" beginning on page 56**.**

The contact details of the Registrar and the Company Secretary of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Ms. Shagun Rathi **Address: A-11, Aagam Apartment, Near Adani CNG, Opp. Motera Cross Road BRTS, Sabarmati, Ahmedabad-380005, Gujarat, India.** **Contact Number: 9825453121** **Email: shagun.rathi193@gmail.com**	**Purva Sharegistry (India) Pvt. Ltd** Unit no. 9 Shiv Shakti Ind. Estt, J.R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra,400011 **Contact Number:** 022 - 41343264 / 49614132 Investor grievance e-mail: newissue@purvashare.com **Website: https:** ww.purvashare.com **Contact Person:** Ms. Deepali G. **SEBI Registration Number:** INR000001112

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question on the website of the Registrar at www.purvashare.com *and on the website of our Company at* www.kanel.in

Our Company has opened a separate demat suspense escrow account (namely, "KANEL INDUSTRIES LTD RIGHTS ESCROW DEMAT ACCOUNT**") ("Demat Suspense Account") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("IEPF") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/ suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.**

Our Company shall credit the Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adverse impact the interest of certain Eligible Equity Shareholders.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity

Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA NDI Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI, MIB or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be physically sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Materials shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Materials. Furthermore, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 81

In accordance with the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Application Form, the Rights Entitlement Letter and other Issue material 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, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e- mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

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

(i) our Company at *https://www.kanel.in/*
(ii) the Registrar at *https://www.purvashare.com/.;* and
(iii) the Stock Exchanges at www.bseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit *https://www.purvashare.com/*

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., *https://www.purvashare.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 at** *https://www.kanel.in/*

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Rights Entitlements may only be exercised by a person outside India in accordance with the laws of that jurisdiction and the laws of India, in terms of the Letter of Offer. 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 Draft Letter of Offer is being filed with the Stock Exchanges and the Letter of Offer will be filed with the Stock Exchanges and SEBI. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). For more details, see "*Restrictions on Purchases and Resales*" on page 81.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders, and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue Materials will be physically dispatched, on a reasonable effort basis, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the 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.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees to make Applications in the 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, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*".

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 Rights 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 Rights 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account 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 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 page 65 Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 66

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches 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 and have provided an authorisation 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.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number 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 bearing reference number 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 the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form or plain paper Application, as the case may be, and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
(b) Do not apply if you have not provided an Indian address.

(c) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

(d) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(f) Do not submit Application Form using third party ASBA account.

(g) Avoid applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.

(h) Do not submit Multiple Application Forms.

- ***Application by specific investor(s), if any and applicable***

In case of renunciation of Rights Entitlement to specific investor(s) by our Promoters or members of the Promoter Group

Our Promoters and members of the Promoter Group **are not going to participate in the Rights Issue and are not offered any Rights shares**. Accordingly, **this provision is not applicable** to the present Issue.

No disclosure in respect of any such renunciation, is required to be made in any public advertisement prior to the Issue Opening Date.

Consequently, **no specific investor shall acquire any Rights Entitlement pursuant to renunciation by the Promoters or members of the Promoter Group**, and the Issue shall be conducted strictly in accordance with the SEBI (ICDR) Regulations, 2018 and applicable laws.

In case of allotment of any undersubscribed portion of the Rights Issue to specific investor(s)

Our Company shall allot the undersubscribed portion (if any) of the Rights Issue to one of more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in coordination with our Company and Registrar.

The allotment of Equity Shares, if any, in respect of the under-subscribed portion of the Rights Issue shall be made in compliance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and other applicable laws.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through 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 the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchanges. 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.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, 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/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Kanel 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. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. 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 Equity Shares applied for pursuant to the Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total Application amount paid at the rate of ₹ 39.95 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident 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;

14. Authorisation 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. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers*" on page 81; and

17. All Applicants in the United States shall include the following:

"*I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. 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 U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. 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. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither our Company, nor the Registrar or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar or any other person acting on behalf of our Company have reason to believe is in the United States or is outside of India and ineligible to participate in the 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 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 hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 81.

I/ We acknowledge that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

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, as applicable, 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://www.purvashare.com/

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised 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 the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear 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/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

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 the Issue:

(a) The Eligible Equity Shareholders shall visit https://www.purvashare.com/., to upload their client master sheet and also provide the other details as required, no later than two clear 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; and
(c) The remaining procedure for Application shall be same as set out in *"- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 66

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights 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 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 finalised 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 as set out "- *Basis of Allotment*" on page 75

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

(a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 66.

(d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic 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. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue (assuming that the Banker to the Issue is not an SCSB), our Company or the Registrar.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the

Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(g) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(h) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(i) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

(j) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(k) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(l) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(m) Do not apply if you are ineligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(n) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(o) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(p) Do not pay the Application Money in cash, by money order, pay order or postal order.

(q) Do not submit Multiple Applications.

(r) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA NDI Rules, as amended.

(s) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

● ***Grounds for Technical Rejection***

Applications made in the Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar to the Issue.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applicants not having the requisite approvals to make Application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE, AND THE RIGHTS ENTITLEMENT LETTER.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple applications. A separate Application can be made in of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see "Issue Information—Procedure for Applications by Mutual Funds" on page 67

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

An application made by a Specific Investor for Equity Shares - (a) against their existing entitlement and for additional Equity Shares: (b) for the undersubscribed portion of the Issue in terms of Regulation 77B(4) shall not be treated as multiple applications for the purpose of allotment in this Issue.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to 100% (sectoral limit) of the paid-up equity share capital of our Company at the time of making such investment.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA NDI Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws.

As per the FEMA NDI Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants.

Further, in accordance with Press Note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial results is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is November 30, 2026, *i.e.*, Issue Closing Date. Our Board or the Rights Issue Committee may extend the said date for such period as it may

determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or the Rights Issue Committee, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or the Rights Issue Committee shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "- *Basis of Allotment*" on page 75.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

No withdrawal of the Application by Specific Investor(s) shall be permitted.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or the Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued, paid-up and subscribed Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://www.purvashare.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., https://www.kanel.in/)

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE252C20015. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights 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 Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. visit https://www.purvashare.com/). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master 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 the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account 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 NDI 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 favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA NDI 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.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in 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.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE252C20015 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from November 23, 2026 to November 24, 2026 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE252C20015 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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 to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE252C20015, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the

Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Draft Letter of Offer and the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA NDI Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "*Terms of the Issue*" beginning on page 56

- ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 54 Equity Shares for every 10 Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares or not in the multiple of 5,

the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue, shall rank pari passu with the existing Equity Shares, in all respects including dividends, in proportion to amount paid up on such Rights Equity Shares in the Issue.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/GB/FIP/1006/2026-27 dated October 23, 2026 for listing of the Rights Equity Shares to be Allotted in the Issue. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500236) under the ISIN: INE252C01023). The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to the Issue by our Promoters and members of the Promoter Group***

The Company had undergone a Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016, pursuant to which a Resolution Plan submitted by Ardent Ventures LLP was approved by the Committee of Creditors and subsequently sanctioned by the Hon'ble National Company Law Tribunal ("NCLT"). The Hon'ble NCLT, vide its order dated October 23, 2024, approved the Resolution Plan for Kanel Industries Limited, resulting in a substantial acquisition of equity shares (Conversion of Debt into equity) by the Resolution Applicant and a consequent increase in promoter shareholding.

Pursuant to the said Resolution Plan, the Company converted the debt into 1,49,62,500 Equity Shares of face value of ₹10/- each aggregating to ₹14,96,25,000/- to the Resolution Applicant, effective October 23, 2024. As on the date of filing of this Letter of Offer, the Promoters of the Company hold 95% of the paid-up equity share capital of the Company.

As per SEBI circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 03, 2023 a listed entity shall adopt any one method in order to achieve compliance with the MPS requirements mandated under rules 19(2)(b) and 19A of the SCRR read with regulation 38 of the LODR Regulations. In this regard the company is making a rights issue to public shareholders and the Promoters shall forgo their entitlement to equity shares that may arise from such issue and the Promoter/Promoter group shall not be offered any right entitlement/right shares so as to reduce their shareholding in an attempt to meet minimum public shareholding requirements as stipulated under the SEBI Listing Regulations as per the timelines prescribed.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 42 of this letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

The Company shall reduce its shareholding in a timely manner to meet the minimum public shareholding requirements in the prescribed timelines as stipulated under the SEBI Listing Regulations, if any. In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved; the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws. For the avoidance of doubt, the Promoters/Promoter Group shall not subscribe to or acquire such unsubscribed portion of the Rights Issue.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;
(b) The right to receive surplus on liquidation;
(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
(d) The right to free transferability of Rights Equity Shares;
(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant the Issue. However, the Investors should note that pursuant to the provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

Our Company will send through e-mail and speed post, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, a Hindi language national daily newspaper with wide circulation.

The Draft Letter of Offer, the Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA NDI Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. The permissions available under (i) and (ii) above are not available to investors who have been allotted such shares as Overseas Corporate Bodies. As per the existing policy of the Government, OCBs cannot participate in the Issue.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Unit no. 9 Shiv Shakti Ind. Estt, J.R. Boricha Marg, Lower Parel (E),Mumbai,Maharashtra,400011 or newissue@purvashare.com . It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Draft Letter of Offer, the 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) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at the Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

An Application made shall be subject to the provisions of FEMA and the FEMA NDI Rules. Further, the shareholding on the basis of which an Eligible Equity Shareholder is entitled to their respective Rights Entitlement, must have been

acquired and held as per the provisions of the FEMA NDI Rules.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at Unit no. 9 Shiv Shakti Ind. Estt, J.R. Boricha Marg, Lower Parel (E),Mumbai,Maharashtra,400011 or newissue@purvashare.com

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 76

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**Monday, November 16, 2026**
ISSUE OPENING DATE	**Monday, November 23, 2026**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**Tuesday, November 24, 2026**
ISSUE CLOSING DATE*	**Monday, November 30, 2026**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**Tuesday, December 01, 2026**
DATE OF ALLOTMENT (ON OR ABOUT)	**Wednesday, December 02, 2026**
DATE OF CREDIT (ON OR ABOUT)	**Thursday, December 03, 2026**
DATE OF LISTING (ON OR ABOUT)	**Friday, December 04, 2026**

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.

* *Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., November 30, 2026, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., November 30, 2026. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such Eligible Equity Shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://www.purvashare.com/) Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://www.purvashare.com/) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for

Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to specific investor(s), if applicable, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c), (d) and (e) above, and the decision of our Board in this regard shall be final and binding.

After taking into account allotment to be made under (a) to (f) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In case, our Company opted for allotment to specific investor(s) in terms of Regulation 77B of SEBI (ICDR) Regulations, 2018.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.
4. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR

Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of

physical certificates:

a) Tripartite agreement dated June 11, 2025, amongst our Company, NSDL and the Registrar to the Issue; and
b) Tripartite agreement dated June 11, 2025, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered e-mail address or through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in the Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crores or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three

years.) Further, where the fraud involves an amount less than ₹0.10 crores or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to
₹0.50 crores or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of the Issue shall be transferred to a separate bank account;
B. Details of all monies utilized out of the Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
C. Details of all unutilized monies out of the Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6) No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
7) Adequate arrangements shall be made to collect all ASBA Applications.
8) As on date, our Company does not have any convertible debt instruments.
9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Kanel Industries Limited– Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

   Registrar to the Issue

   Purva Sharegistry (India) Pvt. Ltd
   Unit no. 9 Shiv Shakti Ind. Estt, J.R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra,400011
   Contact Number: 022 - 41343264 / 49614132
   Investor grievance e-mail: newissue@purvashare.com Website: https: www.purvashare.com
   Contact Person: Ms. Deepali G. SEBI Registration Number: INR000001112

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://www.purvashare.com/).

4. The Investors can visit following links for the below-mentioned purposes:

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

The Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Furthermore, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act 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 of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "**purchaser**", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) 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.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations
9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.
10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue
11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National

Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company or any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company.
14. The purchaser will not hold our Company or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.
15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in the Issue under applicable securities laws.
16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to the Issue in compliance with all applicable laws and regulations.
21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. In terms of the FDI Policy and the FEMA NDI Rules, the foreign investment limit applicable to the sector in which our Company operates is 100% under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under FEMA NDI Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that
(i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA NDI Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA NDI Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. (Indian Standard Time) and 5 p.m. (Indian Standard Time) on all Working Days from the date of the Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated October 28, 2026 between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated August 24, 2026 among our Company, the Registrar to the Issue and the Bankers to the Issue;
3. Monitoring Agency Agreement dated August 12, 2026 between our Company and the Monitoring Agency.

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation of our Company;
3. Certificate of change of name of the Company.
4. Copies of annual reports for the preceding 3 (Three) Financial Years.
5. Resolution of our Board of Directors dated 30th July, 2026, approving the Issue;
6. Resolution of our Board of Directors dated October 30, 2026, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated November 14, 2026, approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated 30th July, 2026, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited vide their letter bearing reference number LOD/RIGHT/GB/FIP/1006/2026-27 dated October 23, 2026;
11. Tripartite Agreement dated June 11, 2025 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
12. Tripartite Agreement dated June 11, 2025 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-
Keyoor Madhusudan Bakshi
Director
DIN: 00133588

Place: Ahmedabad
Date: 14th November, 2026

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-
Harshit Maulinbhai Kachchhi
Director
DIN: 08019394

Place: Ahmedabad
Date: 14th November, 2026

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-
Bhavin Arvindbhai Mehta
Non - Executive Independent Director
DIN: 00023850

Place: Ahmedabad
Date: 14th November, 2026

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-
Pooja Khakhi
Director
DIN: 07522176

Place: Ahmedabad
Date: 14th November, 2026