



STATUTORY AUDITORS' CERTIFICATE

To,
The Members,
SHISH INDUSTRIES LIMITED

Dear Member(s)

Sub: Auditor's certificate on compliance with proposed preferential issue of 152767 Equity Shares of ` 10/- each at a price of ` 50.00 (including premium of ` 40.00/- per Equity Share) aggregating to ` 7,638,350.00 to Promoters of Shish Industries Limited - through conduct of Postal Ballot vide notice dated July 24, 2020 in terms of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

This Certificate is issued in terms of our audit engagement with Shish Industries Limited ("the Company") for the statutory audit and as per the requirement of sub-regulation 2 of regulation 163 under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI Regulations").

As required, we have examined the compliance with the applicable regulations of Chapter V of the SEBI Regulations for preferential issue of equity shares by the Company approved by the Board of Directors ("the Board") in its meeting dated July 24, 2020 to the following persons;

Sr. No.	Name of Proposed Allottee(s)	Category of Allottee	No. of Shares proposed to be allotted
1.	Mr. Satishkumar Dayabhai Maniya	Promoter	52772
2.	Mr. Rameshbhai Virjibhai Kakadiya	Promoter	99995

Mr. Satishkumar Dayabhai Maniya and Mr. Rameshbhai Virjibhai Kakadiya shall collectively refer as "Promoters of the Company" or "Proposed Allottees" in this certificate.

In terms of the aforesaid SEBI Regulations, the Company has issued a Postal Ballot notice dated July 24, 2020 along with explanatory statement ("the Notice") to the members of the Company for which voting is scheduled between August 1, 2020 and August 30, 2020.

Pursuant to provisions of Sections 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act if any, the said notice seeks the consent of the members by way of Special Resolution to approve the proposed issue of 152767 Equity Shares of ` 10/- each at a price of ` 50.00 (including premium of ` 40.00/- per Equity Share) aggregating to ` 7,638,350.00 to Promoters of Shish Industries Limited, on preferential issue basis as per Item No. 2 to the Notice.

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Managements' responsibility

The compliance with the aforesaid SEBI Regulations for the preferential issue of equity shares and preparation of the aforesaid Notice, including its content in respect of Item No. 2 of the Notice is the responsibility of the management of the Company. This responsibility includes the design, implementation, maintenance of and adherence to the internal controls relevant to the preparation and maintenance of the relevant records and providing all relevant information. Also, this responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

The management is also responsible for providing all relevant information to SEBI, and/or BSE Limited.

The Management of the Company has obtained the Pricing certificate from Mr. Anand Lavingia, Practicing Company Secretary in terms of Regulation 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Auditors' responsibility

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI

We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the proposed preferential issue of equity shares as set out in Item No. 2 of the notice is not in accordance with regulation 159, 160, 161, 163, 164, 167 of the aforesaid SEBI Regulations:

- a) With respect to regulation 159 of SEBI Regulations, we have verified that the Company has obtained requisite undertaking from proposed allottees ("Promoters") and persons belonging to the promoters' group to ensure that they have not sold any equity shares of the Company during the six months preceding the relevant date of July 31, 2020 determined in accordance with SEBI Regulations;
- b) With respect to conditions specified in regulation 160 of the SEBI Regulations, we have performed the following procedure to confirm the compliance with required conditions:
 - Obtained confirmation from the Company that since its incorporation, the Company has not made any Preferential Issue and accordingly Regulation 160 (a) of SEBI Regulations is not applicable to the Company. All equity shares of the Company are already made fully paid up as on date. Further, all equity shares to be allotted by way of preferential issue shall be made fully paid up at the time of the allotment
 - Examined the Notice issued by the Company and confirmed that the special resolution for the proposed preferential issue of equity shares is included in the same. Compliance with Regulation 160 (b) of SEBI Regulations will be subject to the special resolution being passed by the members of the Company August 30, 2020;

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- Obtained confirmation from the Company and confirmed the pre-preferential holding of equity shares of the Company held by the allottees and such pre-preferential holding is held in the dematerialized form;
 - Enquired with the management of the Company and obtained representation to confirm that the Company has adhered to conditions for continuous listing of equity shares as specified in the listing agreement with the recognized stock exchange where the equity shares of the Company are listed;
 - Verified that the Company has obtained permanent Account Number (“PAN”) of the proposed allottees. The Company has relied on the undertaking provided by the proposed allottees for the PAN number;
- c) With respect to determination of relevant date as per the requirement specified in Regulation 161 of SEBI Regulations, we have satisfied ourselves that Relevant Date is July 31, 2020 i.e. date thirty days prior to the date on which the resolution, to consider the proposed preferential issue, if approved by the requisite majority, deemed to be passed i.e. in this case it is August 30, 2020.
- d) Read the aforesaid Notice and verified that the following relevant disclosures are made in accordance with regulation 163 of the SEBI Regulations:
- The objects of the preferential equity issue is included in the Notice;
 - Maximum number of Equity Shares to be issued is included in the Notice;
 - Intention of the promoters, directors or key managerial personnel of the Company to subscribe to the offer is disclosed in the Notice;
 - Shareholding pattern of the Company before and after the preferential issue is disclosed in the Notice;
 - The time within which the preferential equity issue shall be completed is disclosed in the Notice;
 - Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue is disclosed in the Notice except in the case of listed companies, mutual fund, scheduled commercial bank, insurance company registered with the Insurance Regulatory and Development Authority of India in the chain of ownership of the proposed allottee, where the regulation exempts disclosure of ultimate beneficial owner of such proposed allottees.
 - Undertaking that the Company shall re-compute the price of the Equity Share in terms of the provision of SEBI Regulations where it is required to do so is included in the Notice;
 - Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI regulations, the Equity Shares shall continue to be locked- in till the time such amount is paid by the allottees;
 - Since, as per the confirmation given by the Company, its Directors and Promoters that they are not willful defaulter, disclosures specified in Schedule VI of SEBI Regulations is not applicable;
 - The special resolution specifies the relevant date on the basis of which price of the equity shares to be allotted shall be calculated.
- e) With respect to compliance with the minimum price for preferential equity issue in accordance with regulation 164(1) of the aforesaid SEBI Regulations, we have verified whether the equity shares would



be issued at a price equal to the price derived in accordance with the requirements of the aforesaid SEBI Regulations.

- f) In respect of Lock-in as specified in Regulation 167 of SEBI Regulations, we have verified the content of the Notice that it includes the lock-in provisions of equity shares allotted on Preferential Basis to the Promoters. Further, the entire pre-preferential allotment shareholding of the proposed allottees are under locked-in from the relevant date and shall remain lock-in up to a period of six months from the date of trading approval.

Conclusion

Based on the procedures performed as mentioned above, evidence obtained and information and explanations and representations provided by the Company's management, nothing has come to our attention that causes us to believe that the proposed preferential issue of equity shares of the Company is not in accordance with the relevant aforesaid SEBI Regulations.

Restriction of use

This certificate has been issued at the request of the Company and is intended solely for the information and use of the Board of Directors and members of the Company in connection with the proposed preferential issue of equity shares and listing thereof and as a result, this certificate may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

For K P C M & Co.
Chartered Accountants
Firm Reg. No. 0117390W



CA Kanaiya Asawa
Partner

Membership No.: 103498
UDIN: 20103498AAAABY3970

Place: Surat
Date: July 31, 2020

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