

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including any amendment/modification thereof)

29, KBL Layout, Alanahalli
Mysore - 570 028, Karnataka, INDIA

To

The Board of Directors

The South India Paper Mills Limited

CIN L85110KA1959PLC001352

ChikkayanaChatra

Nanjangud – 571 302

I, Hitaish Kumar S N, Practising Company Secretary, have been appointed by **The South India Paper Mills Limited** (hereinafter referred to as '**Company**') having CIN L85110KA1959PLC001352 and having its Registered Office at Chikkayana Chatra, Nanjangud – 571 302 to issue this Compliance Certificate in accordance with Regulation 163(2) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 as amended from time to time, (hereinafter referred to as "Regulations").

In accordance with the Regulations, the Company has proposed issue of **37,50,000** (Thirty Seven Lakh Fifty Thousand) Equity shares with face value of Rs. 10 (Rupees Ten only) each, fully paid up on a preferential basis with an issue price of Rs.121 each/- ('**Proposed Preferential issue**'). The proposed preferential issue was approved at the meeting of Board of Directors (BM Sl. No. 2/2023) of the Company held on 28th February 2023.

On the basis of the relevant inquiries, representations and information furnished by the Management of the Company, as required under the aforesaid Regulations, I have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue, more specifically, the following:

- i. Memorandum of Association and Articles of Association of the Company;
- ii. The Present capital structure including the details of the Authorised, Subscribed, Issued and Paid up share capital of the Company along with the shareholding pattern;
- iii. Resolutions passed at the meeting of the Board of Directors;
- iv. List of Proposed Allottees;
- v. The relevant date in accordance with Regulation 161 of the Regulations. The relevant date for the purpose of said minimum issue price was 21st February 2023;
- vi. The statutory registers of the Company and List of shareholders issued by RTA:
 - a. to note that the equity shares are fully paid up; and
 - b. the proposed allottees holding equity shares under physical folio in the Company as on the relevant date have applied for dematerialization of their holding in the Company in terms of regulation 160(c) of the Regulations which requires that "*the equity shares held by the proposed allottees in the Company are in dematerialised form before filing an application seeking in-principle approval with stock exchange*".




- vii. Permanent Account Numbers of the proposed allottees;
- viii. Draft notice of Extra Ordinary General Meeting and Explanatory Statement:
 - a. to verify the disclosure in Explanatory Statement as required under Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations.
 - b. to verify the lock-in period as required under Regulation 167 of the Regulations
 - c. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations.
- ix. Computation of the minimum price of the equity shares to be allotted in preferential issue in accordance with the Regulations. The minimum issue price for the proposed preferential issue of the Company, based on the pricing formula prescribed under these Regulations has been worked out at Rs.120.90;
- x. Valuation Report of Independent Registered Valuer for pricing of equity shares to be allotted as the preferential issue would result in allotment of more than five percent of post issue fully diluted share capital of the Company;
- xi. Verified the relevant statutory records of the company to confirm that:
 - a. it has no outstanding dues to the SEBI, the stock exchanges or the depositories *except fine imposed by BSE which are subject matter of pending review application filed for waiver of fines as per the "Carve Out Policy for exemption of fines levied as per the provisions of SEBI SOP circular"*.
 - b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the Board thereunder.

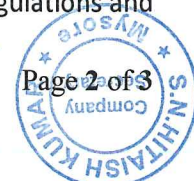
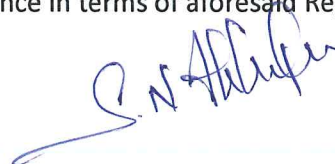
Management's Responsibility

It is the responsibility of the Management to comply with the requirements of the Regulations, including the preparation and maintenance of all accounting and other relevant supporting records, designing, implementing and maintaining internal control relevant to preparation of Notice and explanatory statement, determination of relevant date and minimum price of equity shares and making estimates that are reasonable in the circumstances.

The Management is also responsible for providing all relevant information to the SEBI, and BSE Limited.

Assumptions and Limitation of scope and Review:

- i. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the Management of the Company.
- ii. My responsibility is to certify based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- iii. I am not expressing any opinion on the price computed / calculated and/or the price at which the equity shares are being issued by the Company.
- iv. This certificate is solely for the intended purpose of compliance in terms of aforesaid Regulations and



for your information and it is not to be used, circulated, quoted or otherwise referred to for any other purpose other than compliance with the aforesaid Regulations.

Certification

Based on my examination of information, documents and explanation furnished to me by the Management of the Company and to the best of my knowledge and belief, I hereby certify that proposed preferential issue is being made in accordance with the requirements of the Regulations.



Name: **CS Hitaish Kumar S N**

Membership No: **F6564**

Certificate of Practice No: **6553**

Peer Review: **1626/2021**

UDIN: F006564D003214648



Date: 28.02.2023

Place: Mysuru