

16th November 2022

The Board of Directors,
Foods and Inns Limited
(CIN: L55200MH1967PLC013837)

SUB: Compliance Certificate as per Regulation 163 (2) under Chapter V of the Securities and Exchange Board of India (the 'SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').

Dear Sirs

Independent Auditor's certificate – preferential allotment of convertible warrants

1. This certificate is issued in accordance with the terms of our engagement letter dated 14th November 2022 and as per the requirement of sub-regulation 2 of Regulation 163 under Chapter V of the Securities and Exchange Board of India (the 'SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').
2. As required, we have examined the compliance with the various provisions of Chapter V of the SEBI ICDR Regulations (the 'Regulations') for preferential issue of warrants of Foods And Inns Limited (CIN: L55200MH1967PLC013837) (the 'Company') approved by the Board of Directors (the 'Board') in its meeting held on 14th November 2022
3. In terms of the SEBI ICDR Regulations, the Company has issued notice of Extra Ordinary General Meeting (EOGM) along with the explanatory statement dated 14th November 2022 (together referred to as the 'Notice') to the shareholders of the Company pursuant to provisions of Section 110 of the Companies Act, 2013 (the 'Act') read with the Companies (Management and Administration) Rules, 2014 as amended and other applicable provisions of the Act, if any, seeking the consent of the shareholders to approve on 8th December 2022 being the last date specified by the Company for e-voting, for the proposed issue of up to **2,21,61,749 (Two Crore Twenty One Lakhs Sixty One Thousand Seven Hundred Forty Nine)** Equity warrants ("**Warrants**") at a price of **Rs. 95/- (Ninety five)** per warrant (**Warrant Issue Price**) convertible into with a right to the warrant holders to apply for and be-allotted 1 (One) Equity Share of the face value of **Rs. 1/- [Rupee one only]** each of the Company ("Equity Shares") at a premium of **Rs. 94/-** per share against each Warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating up to **Rs. 210,53,66,155** (Rupees Two Hundred

Ten Crore Fifty Three Lakh Sixty Six Thousand One Hundred Fifty Five Only) to the proposed allottees mentioned below on a preferential basis, convertible into 1 (one) fully paid –up equity share at a price of **Rs. 95(NinetyFive)** per warrant as per Item No. 1 in the said Notice of EOGM.share of the company

1.	Aeon Trading LLP	Non promoter	61,61,740
2.	Lotus Family Trust	Non promoter	90,00,009
3.	Florintree Digital LLP	Non promoter	50,00,000
4.	Silver Stallion Ltd.	Non promoter	10,00,000
5.	VSS Iron and Minerals Pvt.Ltd	Non promoter	5,00,000
6.	Siddhi Potfolio Services Pvt. Ltd	Non promoter	5,00,000
Total			2,21,61,749

On the basis of the relevant management inquiries, necessary representations, information and confirmations received from the management of the Company, as required under the aforesaid Regulations, we 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 9th November 2022;
- vi. The statutory registers of the Company and List of shareholders issued by RTA: to note that the equity shares are fully paid up.
b. all equity shares held by the proposed allottees, *if any*, in the Company are in dematerialised form.
- vii. Disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 & the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if any, made by proposed allottees during the 90 trading days preceding the relevant date;

- viii. Details of buying, selling and dealing in the Equity Shares of the Company by the proposed allottees, Promoter or Promoter Group during the 90 trading days preceding the relevant date;
- ix. Permanent Account Numbers of the proposed allottees, except those allottees who are exempt from specifying their Permanent Account Number for transacting in the securities market by the Board;
- x. Draft notice of General Meeting, Explanatory Statement and Shareholders Agreement (if any):
- 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 tenure of the convertible securities of the company that it shall not exceed eighteen months from the date of their allotment. *(if applicable)*
- c. to verify the lock-in period as required under Regulation 167 of the Regulations *(if applicable)*
- d. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations.
- xi. Computation of the minimum price of the 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. 95;
- xii. Board/shareholders' resolution and statutory registers to verify that promoter(s) or the promoter group has not failed to exercise any warrants of the Company which were previously subscribed by them; *(if applicable)*
- xiii. Valuation Report of Independent Registered Valuer for pricing of traded shares;
- xiv. 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 those whose are the subject matter of a pending appeal or proceeding(s), which has been admitted by the relevant Court, Tribunal or Authority.
- b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchanges 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.

xvi. disclosures w.r.t. the defaults relating to payment of interest/ repayment of principal amount on loans in terms of SEBI Circular dated November 21, 2019;

Management's responsibility

4. The compliance with the aforesaid SEBI ICDR Regulations for the preferential allotment of warrants and preparation of the aforesaid Notice, including its content in respect of Item No. 2 is the responsibility of management of the Company. Management is also responsible for preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Notice and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. Management is also responsible for providing all relevant information to the SEBI, and/or BSE Limited, and/or the National Stock Exchange of India Limited.

Auditor's responsibility

6. 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.
7. 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 warrants as set out in Item No1 of the Notice is not in accordance with the requirements of the Regulations:
 - a) With respect to conditions specified in Regulation 159 & 160 of the SEBI ICDR Regulations, we have performed the following procedures to confirm the compliance with required conditions:
 - verified that the Company has obtained requisite undertaking from the proposed allottees to ensure that they have not sold or transferred any equity shares of the Company during the 90 trading days preceding the relevant date of 9th November 2022

- obtained confirmation from the Registrar and Transfer Agent of the Company to verify the 'pre-preferential holding' of equity shares of the Company held by the proposed allottees, if any and such 'pre-preferential holding' is held in the dematerialized form;
 - examined the Notice issued and confirmed that the special resolution for proposed preferential issue of warrants of the Company is included in the same;
 - 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 stock exchanges where the equity shares of the issuer is listed; and
 - verified that none of the promoters or directors of the Company are a fugitive economic offender
 - verified that the Company has no outstanding dues to the SEBI, stock exchanges or depositories.
 - verified that the Company has obtained Permanent Account Number ('PAN') of the proposed allottees.
- b) Read the Notice and verified that the disclosures in the notice have been made in accordance with Regulation 163(1) of the SEBI ICDR Regulations.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. We conducted our examination in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (the 'ICSI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.


Conclusion

10. Based on the procedures performed as mentioned above and information, explanations and representations provided by the Company, we hereby certify that proposed preferential issue of warrants is being made in accordance with Chapter V of the SEBI ICDR Regulations.

Restriction of use

11. This certificate is addressed to and provided to the Company solely for being made available on the website of the Company to facilitate online inspection by the members till 8th December 2022 being the last date of e-voting, to comply with the requirement of aforementioned Regulations and should not be used by any other person or for any other purpose.
12. 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 except in the context of this issue with BSE and NSE. 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 SANJAY SOMAN AND ASSOCIATES
(Company Secretaries)


SANJAY M SOMAN -CP817
UDIN:F004146D001765378



Date 16th November 2022

Mumbai.