



CERTIFICATE ON REPAYMENT OF LOANS

Date: 13th January, 2025

To,

The Board of Directors

Shanti Gold International Limited

Plot No A-51, 2nd Floor To 7th Floor, MIDC, Marol Industrial Area,
Road No.-1, Near Tunga International Hotel, Andheri (E),
Chakala Midc, Mumbai, Maharashtra, India, 400093
(the "Company")

and

Choice Capital Advisors Private Limited

Sunil Patodia Tower, Plot No. 156-158
J.B. Nagar, Andheri (East),
Mumbai, Maharashtra, India, 400099

(Choice Capital Advisors Private Limited is referred to as the "Book Running Lead Manager" or the "BRLM")

Dear Sir/Madam,

Sub: Proposed initial public offering of equity shares of face value of ₹ 10/- each (the "Equity Shares") of Shanti Gold International Limited ("the Company" and such issue, the "Issue")

We, J Kala & Associates, Chartered Accountants (Firm registration number: 118769W), are Statutory Auditor's of the Company and as per the engagement letter as on 20th November, 2024, we have been appointed by the management of the Company to certify and on repayment of loans.

We, J Kala & Associates, Statutory Auditors of the Company, have been informed that the Company proposes to file the Draft Red Herring Prospectus with respect to the Issue (the "DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and subsequently proposes to file (i) Red Herring Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra Mumbai ("Registrar of Companies" and such Red Herring Prospectus, the "RHP"); (ii) Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the "Prospectus"); and (iii) any other documents or materials to be issued in relation to the Issue (collectively with the DRHP, RHP and Prospectus, the "Offer Documents").

Management's Responsibility

The Company's management's responsibility includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of details mentioned in this certificate and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for ensuring

that the Company complies with the requirements of the relevant provisions of the relevant laws. The preparation of the enclosed details and their contents is the responsibility of the management of the Company and is not exhaustive.

The Management's responsibility to provide financial statements of the Company as at and for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022, along with the audit reports as on even date, additional information, notes to accounts and other relevant records of the Company.

The management of the Company is also responsible for:

- a. Identification, completeness, and accuracy of related party transactions and balances;
- b. Ensuring that all requisite related party details, transactions, and balances have been captured in the financial statements for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022.
- c. Ensuring that all related party transactions are arising out of legitimate business transactions; and
- d. Making available to us, upon request, relevant accounting records and related information as required in relation to this certificate.
- e. Providing share allotment register, minutes of the meetings of Board of Directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers and other documents and accounts from incorporation to identify details such as the nature of issue, date of allotment/ transfer, number of shares, face value, issue price/ transfer price, and such other information.
- f. Providing Statutory Registers maintained and abstract of forms filed with ROC for the transactions.
- g. Ensuring that the disclosures in the prospectus related to the repayment or prepayment of loans, including the purpose, amounts, and terms, are complete, accurate, and in compliance with applicable laws, regulations, and guidelines.
- h. Providing accurate and detailed information regarding the loans proposed to be repaid or prepaid, including loan agreements, sanction letters, repayment schedules, interest rates, and outstanding balances.
- i. Maintaining proper records and documentation supporting the loans, including evidence of drawdowns, repayments, and communication with lenders.
- j. Ensuring that the stated purpose of repayment or prepayment of loans aligns with the objectives disclosed in the prospectus and is free from material misstatements.
- k. Confirming that all assumptions, estimates, and projections related to loan repayment or prepayment have been reviewed and approved by the management.
- l. Establishing and maintaining effective internal controls to ensure the proceeds of the Issue are utilized exclusively for the repayment or prepayment of loans as stated in the prospectus.
- m. Providing access to all necessary records, documents, and explanations to the auditors for the verification of disclosures related to the repayment or prepayment of loans.
- n. Ensuring compliance with statutory, regulatory, and contractual obligations related to the repayment or prepayment of loans disclosed in the prospectus.

Statutory Auditor's Responsibility

- Reviewed the loan agreements, sanction letters, and other related documents to verify the terms and conditions of the loans proposed to be repaid or prepaid.
- Examined the repayment schedules, interest rates, and outstanding balances as of the latest available date to confirm the accuracy of the disclosures in the prospectus.



- Verified the loan-related records, including drawdowns, repayments, and communication with lenders, to ensure their completeness and correctness.
- Evaluated the stated purpose of the repayment or prepayment of loans to confirm its alignment with the objectives disclosed in the prospectus.
- Assessed the reasonableness of assumptions, estimates, and projections provided by the management regarding loan repayment or prepayment.
- Reviewed the internal controls and monitoring mechanisms established by the management to ensure that the proceeds from the Issue are utilized exclusively for loan repayment or prepayment as disclosed.
- Performed inquiries with the management and relevant officials to understand the basis of disclosures related to the repayment or prepayment of loans.
- Verified compliance with statutory, regulatory, and contractual obligations related to the repayment or prepayment of loans.
- Ensured the accuracy and validity of disclosures in the prospectus through cross-verification with the supporting records and management representations.

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

We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

Conclusion

We have examined the books of accounts of the Company with respect to historical financial information, financial agreements and bank statements, to the extent applicable, read the minutes of board meetings with respect to the objects of the Issue and conducted discussions with officials of the Company that are responsible for matters of which we are opining in this certificate. On the basis of aforesaid we hereby certify that one of the objects of the Issue is to prepay or re-pay a portion of certain outstanding borrowings availed by the Company.

We have received a request from the Company to provide a certificate in respect of the terms and details of outstanding financing facilities as on November 14, 2024, of the Company which are proposed to be paid from the proceeds of the Issue. The details of the outstanding loans of the Company proposed for repayment or prepayment, in full or in part from the proceeds of the Issue are set forth below. The loan facilities are listed below:

Sr. No.	Name of the lender	Nature of the borrowing	Date of Sanction	Date of Disbursement	Sanctioned amount (in ₹ million)	Amount outstanding as at [November 14, 2024]	Rate of interest (%) ⁽¹⁾	Repayment date / Schedule	Pre-payment penalty	Purpose for which the loan was
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						(in ₹ million)				sanctioned *
1	Saraswat Co- Operative Bank Ltd.	Working Capital Term Loan - Guaranteed Emergency Credit Line	January 07, 2022	January 15, 2022	250.00	213.70	PLR- 6.65% i.e. subject to minimum @ 9.25% p.a.	72 months commenc ing from February 15, 2024	4.00% of the outstanding amount	Working Capital

*The utilisation of the proceeds of the loans, as indicated above in the table has been towards the purpose availed for, as per the sanction letters/loan agreements of the respective loans.

⁽¹⁾ The rate of interest mentioned in the table above, is the current rate of interest and is subject to changes as per the sanction letters/ loan agreements issued by the respective banks.

We confirm that the above stated loans have been utilised for the purpose for which they have been availed.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We have conducted our examination in accordance with the applicable guidance note issued by the Institute of Chartered Accountants of India (the "ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI.

We have also 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, issued by the ICAI.

Other Matters

This certificate may be relied upon by the Company, the Book Running Lead Manager, and the Legal Counsel appointed in relation to the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Offer Documents. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Manager until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Manager and the Legal Counsel in relation to the Issue, can assume that there is no change to the above information.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the relevant laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to the Company and any other person in respect of this certificate, except as per applicable law.



The contents of details above are based on the information, explanation and representations obtained from the Company and basic understanding of business operations of the Company.

Our Scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.

This certificate is not to be used, referred to or distributed for any other purpose without our prior written consent.

We hereby give consent to include this certificate in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law in relation to the initial offering of equity shares of the Company in a public offering in India.

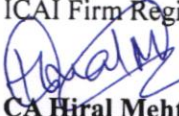
This certificate may be relied on by the Book Running Lead Manager and the legal counsel in relation to the Issue.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours sincerely,

**For J Kala & Associates,
Chartered Accountants**
ICAI Firm Registration No.: 118769W


CA Hiral Mehta
Partner
Membership No: 149085
Place: Mumbai
Date: 13th January, 2025
UDIN: 25149085BMJQP2133



CC:

Legal Counsel to the Issue

**Messrs. Kanga and Company,
Advocates and Solicitors**
Readymoney Mansion,
43, Veer Nariman Road,
Fort, Mumbai - 400 001.