No. CARE/ARO/GEN/2026-27/1133

The Board of Directors
Ashnisha Industries Limited
7thFloor, Ashoka Chambers,
Opp. HCG Hospital Mithakhali Six Roads,
Ahmedabad, Gujarat, India, 380006

August 13, 2026

Dear Sir/ Ma'am,

<u>Monitoring Agency Report for the quarter ended June 30, 2026 - in relation to the Rights issue of Ashnisha Industries Limited ("the Company")</u>

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs.49.24 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended June 30, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 29, 2025.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Nikita Goyal
Associate Director
Nikita.goyal@careedge.in

Report of the Monitoring Agency

Name of the issuer: Ashnisha Industries Limited

For quarter ended: June 30, 2026

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Yes, as per Letter of Offer (LOF), the object of “To fund solar project” was supposed to be completed by March 2026, however, there was delay in this object. The company has not obtained any shareholder approval for the said object.

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management/ Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/ Board.

Signature:

Name and designation of the Authorized Signatory: Nikita Goyal

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer	: Ashnisha Industries Limited
Name of the promoter	: 1. Ashok Chinubhai Shah 2. Shalin Ashok Shah 3. Leena Ashok Shah
Industry/ sector to which it belongs	: Trading and Distributors

2) Issue Details

Issue Period	: October 14, 2025 to November 11, 2025
Type of issue	: Right issue
Type of specified securities	: Equity shares
IPO Grading, if any	: Not applicable
Issue size (in crore)	: Rs.49.24 Crore

Note: Ashnisha Industries Limited issued 16,41,25,000 fully paid-up equity shares for cash at a price of Rs.3 per Rights Equity Share, including a share premium of Rs.2 per Rights Equity Share, for an amount of Rs.49.24 crore to the Eligible Shareholders in the ratio of 13 Rights Equity Shares for every 8 Fully paid-up Equity Shares held on the Record Date i.e. October 06, 2025.

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Letter of offer CA certificate* Management certificate ICICI Bank Current Account statement Sample Invoices Stock Exchange filing	1. From the funds allocated towards the object of GCP, the company has utilised funds of Rs.6.65 crore towards office renovation, office equipments, office furniture and towards advances for land procurement for new corporate office. This expenditure is not explicitly included in the stated heads of expenditure under GCP as per LOF. However, company has obtained board approval for the same dated December 13, 2025 (which was made available to CARE Ratings team during this review). The agreement copies and invoices sought for the aforesaid transaction of land have not been provided by client.	All utilization made by the Company are as per the Offer Document. The office renovation, office equipments and office furniture can be considered as GCP the Company had taken approval of Board in the meeting held on 13/12/2025.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	Stock Exchange Filing	As per Letter of Offer (LOF), the rights issue proceeds of Rs.15 crore towards the object "To fund solar project" were stated to be utilised by March	The estimated time for project completion was stated as December 2026 in the Offer Document and the timeline for

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			2026 (though estimated time for project completion was stated as December 2026). There has been delay in the utilsation of the aforesaid proceeds (with utilsation having been completed in June 2026). The company has not obtained any shareholder approval for the said delay. Further, although the entire allocated amount of Rs.15 crore towards the said object is already been incurred by Q1FY27, the project has not yet commenced the commercial operations.	completion of project is also clearly given as subject to receipt of approval from the Government authorities & the same is mentioned in the offer document as well. Henceforth any shareholder approval for the said delay is not required. The utilization has been made in compliance with LOF and applicable laws.
Whether the means of finance for the disclosed objects of the issue have changed?	No change	Management certificate CA certificate*	No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	As per last monitoring agency report dated May 12, 2026 Management certificate CA certificate	No Comments	No Comments
Whether all Government/ statutory approvals related to the object(s) have been obtained?	Under process	Management certificate	Approvals for solar project are under process.	No Comments
Whether all arrangements pertaining to technical assistance/ collaboration are in	Not applicable	Management certificate	No Comments	No Comments

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
operation?				
Are there any favorable/ unfavorable events affecting the viability of these object(s)?	No such events.	Management certificate	No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Management Certificate Stock Exchange Filing	1. The solar power project cost of Rs.15 crore for 1.5 MW AC Capacity (1.75 MW DC Capacity) plant is higher compared to industry standards and returns are expected to be low. Further, although the entire allocated amount of Rs.15 crore towards the said object is already been incurred by Q1FY27, the project has not yet commenced the commercial operations. 2. The shareholding of promoters reduced from 17.35% as on September 30, 2025 to 6.61% as on March 31, 2026 as promoters and promoter group did not subscribe to the shares offered in the rights issue. 3. As per LOF, the rights issue proceeds of Rs.15 crore towards the object "To fund solar project" was stated to be utilised by	1. The total project cost for the proposed Solar Power Plant has been determined after undertaking a comprehensive technical, commercial and financial evaluation and taking into consideration the quotations received. Accordingly, the Company affirms that the project cost is reasonable, commercially justified, and in line with the technical specifications and strategic objectives of the Company. 2. The promoters did not participate / subscribed the shares offered under Rights issue to enhance public participation in the Company, to benefit the public at large. 3. The estimated time for project completion was stated as December 2026 in the Offer

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			March 2026 (and estimated time for project completion was stated as December 2026). However, there has been delay in the utilsation of the aforesaid proceeds. The company has not obtained any shareholder approval for the said delay. 4. From the funds allocated towards the object of GCP, the company has utilised funds of Rs.6.65 crore towards office renovation, office equipments, office furniture and towards advances for land procurement for new corporate office. This expenditure is not explicitly included in the stated heads of expenditure under GCP as per LOF. However, company has obtained board approval for the same dated December 13, 2025 (which was made available to CARE Ratings team during this review). The agreement copies and invoices sought for the aforesaid transaction of land	Document and the timeline for completion of project is also clearly given subject to receipt of approval from the Government authorities & mentioned in the offer document. Henceforth any shareholder approval for the said delay is not required. 4. All utilization made by the Company are as per the Offer Document. The office renovation, office equipments and office furniture can be considered as GCP the Company had taken approval of Board in the meeting held on 13/12/2025. 5. The invoices related to solar expenses have been provided, except where the work is under progress and only advance amount has been paid by the Company.

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			have not been provided by client. 5. Company has reported operating losses for past four years ended FY26, due to high raw material costs.	

**Chartered Accountant certificate from GMCA and Co. dated August 11, 2026*

#Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

i. Cost of objects –

Sr. No	Item Head	Source of information/ certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost (in Rs. Crore)	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	To Fund Solar Power project	Letter of offer ICICI Current Account Statement CA certificate* Management certificate Sample Invoices	15.00	15.00	The mentioned cost is towards solar power project capacity of 1.5 MW	There is no Revision of Cost	Not Applicable	Not Applicable
2	To Meet Working Capital Requirement	Letter of offer ICICI Current Account Statement CA certificate* Management certificate Sample Invoices	23.00	23.00	Nil	There is no Revision of Cost	Not Applicable	Not Applicable
3	General Corporate Purpose	Letter of offer ICICI Current Account Statement CA certificate* Management certificate Sample Invoices	10.49	10.70	As per board approval dated May 27, 2026, the amount of Rs.0.21 crore remaining unutilized out of total funds of Rs.0.75 crore originally allocated towards issue-related expenses shall be reallocated and utilized towards	The Amount of Rs. 21 Lakhs were reallocated and utilized under General Corporate Purpose	As all liabilities and invoices pertaining to the Issue have been fully settled, the remaining surplus of Rs. 21 Lakhs was reallocated to General Corporate Purposes (GCP) to meet ongoing operational requirements, pursuant to the approval of the Board of Directors in their meeting held on May 27, 2026.	
4	Issue related expenses	Letter of offer ICICI Current Account Statement CA certificate* Sample Invoices Management certificate	0.75	0.54				

					General Corporate Purposes		
Total			**49.24**				

**Chartered Accountant certificate from GMCA and Co. dated August 11, 2026*

ii. Progress in the objects –

Sr. No	Item Head	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilized in Rs. Crore			Total unutilized amount as on June 30, 2026, in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	To Fund Solar Power Project	CA certificate* Management certificate ICICI Current Account Statement Sample Invoices	15.00	10.45	4.55	15.00	0.00	During Q1FY27, AIL utilized total Rs.4.55 crore towards advance payment for site, furniture and some miscellaneous expenses for Solar Power Project of 1.5 MW. Overall, out of total Rs.15.00 crore spent till Q1FY27, Rs.8.80 crore was towards advance payment of solar equipments, Rs.3.20 crore towards site development, Rs.2 crore advance payment towards land and Rs.1.00 core few misc. expenses such as salary, security expenses labor	No Comments	No Comments

Sr. No	Item Head	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilized in Rs. Crore			Total unutilized amount as on June 30, 2026, in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								charges, etc. The amount utilized is transferred from escrow account to current account and subsequently expenses are incurred from current account. There are numerous other debits and credits in the said current account resulting in comingling of funds, and we have relied on company declaration and CA certificate to ascertain utilization of funds.		
2	To Meet Working Capital Requirement	CA certificate* Management certificate ICICI Current Account Statement	23.00	23.00	0.00	23.00	0.00	The utilsation towards this object was completed in Q4FY26.	No Comments	No Comments
3	General Corporate Purposes	CA certificate* Management certificate ICICI Current	10.49	8.40	2.30	10.70	-0.21	During Q1FY27, company utilized Rs.2.30 crore for general corporate purpose (mainly towards office	No Comments	No Comments

Sr. No	Item Head	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilized in Rs. Crore			Total unutilized amount as on June 30, 2026, in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		Account Statement Sample Invoices						equipments, office renovation, operating expenses such as salary and so on). The amount utilized is transferred from escrow account to current account and subsequently expenses are incurred from current account. There are numerous other debits and credits in the said current account resulting in comingling of funds, and we have relied on company declaration and CA certificate to ascertain utilization of funds.		
4	Issue related expenses	CA certificate* Management certificate Sample invoices ICICI Current Account Statement	0.70	0.54	-	0.54	0.21	The utilsation towards this object was completed in Q4FY26. The surplus amount of Rs.0.21 crore related to issue expenses were utilized towards General Corporate	No Comments	No Comments

Sr. No	Item Head	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilized in Rs. Crore			Total unutilized amount as on June 30, 2026, in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								Purpose and same was approved by board through resolution dated May 27, 2026.		
Total			**49.24**	**42.39**	**6.85**	**49.24**	**0.00**			

**Chartered Accountant certificate from GMCA and Co. dated August 11, 2026*

iii. Deployment of unutilized proceeds: Not Applicable, entire funds has been utilised till Q1FY27.

iv. Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
To Fund Solar Power Project	FY26	Q1FY27^	89 days	Pendency of Government approval	The Company is following up for the same on regular basis
To Meet Working Capital Requirement	FY27	Q4FY26	-	No Comments	No Comments
General Corporate Purpose	FY27	Q1FY27	-	No Comments	No Comments

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Right issue expenses	-	-	-	No Comments	No Comments

**The offer document does not specify the timeline for utilisation of funds towards issue expenses.*

^Although the allocated amount toward the said object is already been incurred, the project has not yet commenced the commercial operations.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No.	Item Head	Amount (in Rs. Crore)	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Operating Expenses such as Salary, office expenses and so on	0.16	Management Confirmation Bank Statement	No Comments	No Comments
2	Advance paid for office renovation	0.62	Management Confirmation Bank Statement	This expenditure is not explicitly included in the stated heads of expenditure under GCP however board approval for the same has been obtained dated December 13, 2025.	The Company has taken required approval for the same in Board meeting dated December 13, 2025.
3	Advance for construction activities for new corporate office	1.50	Management Confirmation Bank Statement	This expenditure is not explicitly included in the stated heads of expenditure under GCP however board approval for the same has been obtained dated December 13, 2025	The Company has taken required approval for the same in Board meeting dated December 13, 2025.

Total	**2.30**			

^ *Section from the offer document related to GCP:*

"The Net Proceeds will first be utilized for the each of the other objects as set out in this section. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to (i) such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, and (ii) the cumulative amount to be utilized for general corporate purposes and our object of 'Funding of acquisitions of unidentified businesses for future growth and other business initiatives' shall not exceed 35% of the Gross Proceeds, in compliance with SEBI ICDR Regulations.

Such general corporate purposes may include, but are not limited to, strategic initiatives such as expansion into new business lines and acquisitions, funding growth opportunities, strengthening marketing capabilities and brand building, rental and administrative expenses, meeting ongoing general corporate contingencies, employee and other personnel expenses, investments into our Subsidiaries, working capital requirements and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act, 2013."

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “Monitoring Agency/ MA”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management/ officials/ consultants of the Issuer and third-party sources like statutory auditor/ internal auditor which is peer reviewed audit firm/ peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors/ internal auditor which is peer reviewed audit firm/ peer reviewed audit firm (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments/ facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.