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Legal Opinion for Roopa Screen Limited

Case for Opinion

I. BACKGROUND

1. Roopa Screen Limited (CIN: U28112GJ2013PLC074471)("the Company") having registered office situated at 6, Sudama Estate, Behind Swastik Bansidhar, Opp. Sudama Furniture, Narol, Ahmedabad, Gujarat - 382405

2. Presently the Company is in the manufacturing of rotary nickel screens, which are used in rotary screen-printing machines, primarily by the textile manufacturers for continuous printing on fabrics.

3. The Company has filed a Draft Red Herring Prospectus (DRHP) dated September29, 2025 with the SME Platform of BSE Limited in respect initial public offering of their Equity Shares.

4. One of the Manufacturing unit is located at Unit-I: 6, Sudama Estate, Behind, Swastik Bansidhar Opp. Sudama Furniture, Narol, Ahmedabad-382405, Gujarat, India. (hereinafter referred to as "the premises in question"), wherein as intimated to us, the Company is operating the unit without having obtained factory license from the competent authority and consent from the Gujarat Pollution Control Board under respective environmental acts. Further, we have been informed that the Company has discontinued to operate the said facility as "Manufacturing unit" with effect from December 15, 2025.

5. We have been provided with salary sheets for the period from September 2025 till January 2026, and Registration under Shop and Establishmentvide Registration Number PII/ RNPR/4000991/0280917 (Ranipur) dated October 01, 2025, valid till cancelled for premises located at Unit-I: 6, Sudama Estate, Behind, Swastik Bansidhar Opp. Sudama Furniture, Narol, Ahmedabad-382405, Gujarat, India. (hereinafter referred to as "the premises in question")

II. QUERY

1. What are the possible penal consequences for not obtaining Factory License and applicable consents (i.e. Consent to Establish and Consent to Operate) from Gujarat Pollution Control Board(GPCB) for the erstwhile factory Unit of the Roopa Screen Limited situated at 6, Sudama Estate, Behind Swastik Bansidhar, Opp. Sudama Furniture, Narol, Ahmadabad, Gujarat – 382405?

III. APPLICABLE LAWS/ NOTIFICATIONS/ CIRCULARS

1. In order to answer the query stated above, it is first important to understand the respective provision of The Factories Act, 1948, Water (Prevention and Control Of Pollution) Act, 1974 and The Air (Prevention and Control Of Pollution) Act, 1981 (the Said Rules) amended from time to time.

A. APPLICABILITY OF FACTORIES ACT, 1948 AND PENAL PROVISIONS THEREUNDER:

1. The Factories Act, 1948 provides for following-

To first understand whether the Company is required to obtain registration under Factories act, 1948 we need to understand the definition of Factory which as defined in Section 2(m) of the Factories Act reads as under:



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"factory" means any premises including the precincts thereof—
(i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or

(ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on,—

Further in this respect we also need to identify "Worker" which as per definition given Section 2(l) of the act reads as under:

"worker" means a person 4[employed, directly or by or through any agency (including a contractor) with or without the knowledge of the principal employer, whether for remuneration or not], in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to, or connected with, the manufacturing process, or the subject of the manufacturing process 3[but does not include any member of the armed forces of the Union];

2. **As per the management representations, the Company (Optionally referred to as "the Occupier" for the purpose of the Factories Act in this opinion) had employed an average of 20-25 workers at the demised premises, at any given point of time during the last 3 (three) years and hence in accordance with the aforementioned definitions the demised premises in question falls under the ambit of a factory and in terms of Section 6 r.w.s. 7 was required to obtain the permission for the establishment of the demised manufacturing premises in question or to intimate the competent authority of the occupation of such premises. However, the Company failed to obtain the requisite permission and hence stands to violate the relevant laws of the act thus liable to penalties and procedures under the Factories Act.**

3. **Penalties And Procedure (Chapter X)**

Section 92. General penalty for offences.—

Whenever there is any contravention of any of the provisions of this Act or of any rules made thereunder or of any order in writing given thereunder the occupier and manager of the factory shall each be guilty of an offence and punishable with imprisonment for a term which may extend to ***two years*** *or with fine which may extend to* ***one lakh rupees*** *or with both, and if the contravention is continued after conviction, with a further fine which may extend to* ***one thousand rupees for each day*** *on which the contravention is so continued.*

Provided that where contravention of any of the provisions of Chapter IV or any rule made thereunder or under section 87 has resulted in an accident causing death or serious bodily injury, the fine shall not be less than ***twenty-five thousand rupees*** *in the case of an accident causing* ***death****, and* ***five thousand rupees*** *in the case of an accident causing serious bodily injury.*

As per management representations of the Company, there has been no accident causing death or serious bodily injury and hence the occupier shall not be liable to any fine as provided in the provisio to Section 92 of the Factories Act.

However as indicated in Section 92, **the Occupier and manager shall be liable to a fine which may extend to Rs. 1.00 Lakhs or with imprisonment which may extend to 2 years or with both.**

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EnRoll. No. R/38/2016
Advocate

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Since As per management representations, there has been no conviction, no continuing penalty of an amount upto Rs. 1,000/- per day shall not be applicable.

4. Applicability of Compounding of the contravention:

Schedule IV of the Factories Act mentions a list of offences which are compoundable under the provisions of the Act by way of making an application to the competent authority before the initiation of any prosecution against the Occupier.
In the instant case, as per the representation received from the management no prosecution has been initiated against the occupier / the manager. However, the Schedule IV does not cover the defaults u/s. 6 & 7 i.e. the Occupier cannot apply for compounding of the contravention with respect to the registration requirements.

Further as per representations given by the management of the and as per salary sheets provided to us for the period of last 6 months, the manufacturing activities at the demised premises in question have been closed and that not more than 10 workers are engaged at the premises for the purpose of packaging, loading and unloading since December 15, 2025 thus revealing the intentions of the occupier of not carrying on any further manufacturing activities at the demised premises.

In view of aforementioned management representations and **in view of the fact that the default is not covered under the Schedule IV of the Act, the company is not required to make any compounding application for its past contravention if it does not intend to carry on further manufacturing activities.** However, the occupier may be subjected to the fine as stated above in case any legal action/ prosecution is initiated against it by the competent authority at any point of time in future.

5. Our Opinion: -

Based on the representations that the manufacturing activities have been discontinued at the demised premises and that the number of workers have been reduced to 5-6 only, and that **the default is not covered under the Schedule IV of the Act, the company is not required to make any compounding application for its past contravention if it does not intend to carry on further manufacturing activities. However, the Occupier and manager shall be liable to a fine which may extend to Rs. 1.00 Lakhs or with imprisonment which may extend to 2 years or with both.**

B. APPLICABILITY OF ENVIRONMENTAL ACTS AND PENAL PROVISIONS THEREOF.

As the Company is into the business of manufacturing of Nickel Rotary screens which is a polluting industry, the Company is required to obtain the approval from the competent regional office of Gujarat Pollution Control Board (GPCB) to operate the manufacturing activities at the demised premises. However, in the instant case, as per representations received from the management of the Company, the Company failed to obtain approval from the concerned office of the GPCB thereby violating the provisions of the statutes, details of which are given hereunder:

1. Applicable provisions under theWater (Prevention and Control Of Pollution) Act, 1974

a. <u>Liability to obtain approval from relevant state board:</u>

<u>Section 25:</u> Restrictions on new outlets and new discharges:

(1) Subject to the provisions of this Section, no person shall, without the previous consent of the State Board:

(a) Establish or take any steps to establish any industry, operation or process, or any treatment and disposal systems or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land……

(b) ……

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(c) ……

(2) An application for consent of the State Board under sub-section (1) shall be made in such form, contain such particulars and shall be accompanied by such fees as may be prescribed.

(3) The state Board ……..

(4) The state Board may……

(a) ……..

(b) ….

(5) Where, without the consent of the State Board, any industry, operation or process or any treatment and disposal system or any extension or addition thereto, is established, or any steps for such establishment have been taken or a new or altered outlet is brought into use for the discharge of sewage or a new discharge of sewage is made, ***the State Board may serve on the person who has established or taken steps to establish any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, or using the outlet, or making the discharge as the case may be, a notice imposing any such conditions as it might have imposed on an application*** *for its consent in respect of such establishment, such outlet or discharge.*

In terms of aforementioned provisions any person discharging effluents / sewage without having obtained requisite consent of the state Board, shall be liable to legal actions.

b. <u>Penal Provisions:</u>

Section 44 which provides for penalty for contravention of Section 25 or Section 26 reads as under:

Whoever contravenes the provisions of section 25 or section 26 ***shall be punishable with imprisonment for a term which shall not be less than [one year and six months] but which may extend to six years and with fine.***

Further section 47 provides for liabilities in case of default by Companies which reads as under:

47. Offences by companies

(1) Where an offence under this Act has been committed by a company, ***every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence*** *and shall be liable to be proceeded against and punished accordingly:*

PROVIDED that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly

2. Applicable provisions of Air (Prevention and Control of Pollution) Act, 1981 provides as under:

a. Liability to obtain approval from relevant state board:

Section 21 of the Act reads as under:

21. (1) Subject to the provisions of this section, no person shall, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area:

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b. Penal Provisions:

Section 37 of the Act provides for penalties to be imposed which reads as under:

(1) whoever fails to comply with the provisions of section 21 or section 22 or directions issued under section 31A, shall, in respect of each such failure, be punishable with imprisonment for a term which shall not be less than one year and six months but which may extend to six years and with fine, and in case the failure continues, with an additional fine which may extend to five thousand rupees for every day during which such failure continues after the conviction for the first such failure.

(2) .....

Further Section 40 of the Act provides for liabilities in case of default by Companies which reads as under:

40. Offences by companies.—

(1) Where an offence under this Act has been committed by a company, ***every person who, at the time the offence was committed, was directly in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty*** *of the offence and shall be liable to be proceeded against and punished accordingly:*
Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such ***director, manager, secretary or other officer*** *shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.*

3. **Applicable provisions of Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 read with Environment Protection Act, which reads as under:**

a. Liability to obtain approval from relevant state board:

Rule 6:
Grant of authorization for managing hazardous and other wastes.*- (1) Every occupier of the facility who is engaged in handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilisation, offering for sale, transfer or disposal of the hazardous and other wastes shall be required to make an application in Form 1 to the State Pollution Control Board and obtain an authorization from the State Pollution Control Board within a period of sixty days from the date of publication of these rules.*

b. **Penal provisions**

Penal provisions for non-observation of the Hazardous are stated under Section 15 of the Environment Protection Act which reads as under:



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15(1) Whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or order or directions issued thereunder, shall in respect of each such failure or contravention, be punishable with ***imprisonment for a term which may extend to five years or with fine which extend to One Lakh rupees or with both and in case the failure or contravention continues, with additional fine which may extend to five thousand rupees for every day during which such failure or contravention continues after the conviction for the first such failure or contravention.***

Section 16(1) Where any offence under this Act has been committed by a company, every person who at the time the offence was committed was directly in charge of and was responsible to, the Company for the conduct of the business of the company, as well as the Company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

4. Our Opinion:-

As per representations received, considering the fact that the Company has closed the manufacturing activities at the demised premises in question and that no previous prosecution has been initiated against the Company or any or its officers/ directors/ promoters in past, the company shall not require to file any compounding application for its past defaults. However,**in an event any action is initiated against the company for its past defaults, the officers of the Company / director/ promoter or any of the person designated for the purpose may be punished with an imprisonment between 18 months to 6 years in addition to any fines that may be imposed.**

IV. QUALIFICATIONS

1. All the information provided to us in respect of this opinion are based on the management representations made to us and on the basis of information and documents provided to us which have been considered true, accurate and complete.
2. We are only qualified to advice on Indian Laws and have limited our opinion to the laws of Union of India, as applicable on the date of this opinion.

V. CLARIFICATIONS

1. We clarify that our opinion is limited to the query specified in "II QUERY", and we have not opined on any other queries.

2. Our opinion is solely for the benefit of the addressee and may not be used by any other person.

3. Other than the addressee of this opinion we shall not in any manner whatsoever undertake or assume any duty or obligation with any other person nor be nor establish any relation with them nor will we have any liability towards them.

4. This legal opinion is for information and inclusion (in part or full) in the Offer Document or any other Offer-related material and may be relied on by the Company and Lead Manager. We hereby give our consent including detailed mentioned below to include our name in the Draft Red Herring Prospectus /Red Herring Prospectus Prospectus filed / to be filed by the Company with BSE Limited and RoC or any other regulatory authority in relation to Public Offer. We authorize you to deliver this legal opinion and consent to the Stock Exchange, the RoC or any other governmental or regulatory authority and /or for any other litigation purposes and /or for the records to be maintained by the Lead Manager and Company.

Name	Ms. Asha Agarwal

Asha Agarwal & Associates
Enroll. No. R/38/2016

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5. I confirm that prior to the commencement of trading of the Equity Shares of the Company on the Stock Exchange, if there is any change in the information provided hereinabove; I undertake to forthwith apprise the Company and the Lead Manager of the same. In the absence of any such communication, the above information should be taken as updated information until the listing and trading of the Equity Shares of the Company pursuant to the Offer.

6. I also confirm to the inclusion of this legal opinion as a part of "*Material Contract and Documents for Inspection*" in connection with this Offer as may be requiredwhich will be available for public inspection from the date of the filing of the Draft Prospectus / Prospectus until the Bid Closing date (including on the website of the Company).

7. We agree to keep the information regarding the Offer strictly confidential.

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

We trust this clarifies the position.

For AshaAgarwal& Associates

Asha Agarwal & Associates * Advocate * EnRoll. No. R/38/2016

Advocate Asha Agarwal
Date: February 08, 2026
Proprietor

Enclosures:

1. The Factories Act, 1948
2. The Water (Prevention And Control Of Pollution) Act, 1974
3. The Air (Prevention and Control of Pollution) Act, 1981

CC:

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