Draft Letter of Offer
Dated: March 22, 2023
For Eligible Equity Shareholders only

SHREE RAMA MULTI-TECH LIMITED

Our Company was incorporated as '*Shree Rama Multi-Tech Limited'* on December 17, 1993, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (the "**RoC**") upon conversion of a partnership firm named "*M/s Shree Rama Multi Tech*". Our Company received its certificate of commencement of business dated January 11, 1994 from the RoC. For details of change in the address of the registered office our Company, see "*General Information*" on page 41.

Registered Office: 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380 009, Gujarat, India
Telephone: +91 79 2754 6800/ 900; **Email:** cslegal@srmtl.com
Contact Person: Sandip Mistry, Company Secretary and Compliance Officer
Email: cslegal@srmtl.com; **Website:** www.srmtl.com
Corporate Identity Number: L25200GJ1993PLC020880

OUR PROMOTERS: NIRMA CHEMICAL WORKS PRIVATE LIMITED AND NIRMA INDUSTRIES PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHREE RAMA MULTI-TECH LIMITED ONLY

ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 5 EACH ("RIGHTS EQUITY SHARES") OF SHREE RAMA MULTI-TECH LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] EACH INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UPTO ₹ 7,500.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 187.

WILFUL DEFAULTER AND FRAUDULENT BORROWERS

Neither our Company nor any of our Promoters or any of our Directors have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the RBI.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 18.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be issued pursuant to this Issue *vide* their letters dated [●] and [●], respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
VIVRO	KFINTECH
Vivro Financial Services Private Limited Vivro House, 11, Shashi Colony, Opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India. **Telephone:** +91 79 4040 4242 **E-mail:** investors@vivro.net **Website:** www.vivro.net **Investor grievance E-mail:** investors@vivro.net **Contact Person:** Samir Santara / Kruti Saraiya **SEBI Registration No.:** INM000010122	**KFin Technologies Limited** *(Formerly known as KFin Techonologies Private Limited)* Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India. **Telephone:** +91 40 6716 2222 **E-mail:** srmtl.rights@kfintech.com **Investor grievance E-mail:** einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.:** INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

#Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of thirty days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations as set forth below, which, unless the context otherwise indicates or implies, or is unless otherwise specified, shall have the meanings as set forth below.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act, and/ or the rules and regulations made thereunder, each as amended. References to statutes, rules, regulations, guidelines, and policies will be deemed to include all amendments and modifications notified thereto.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Notwithstanding the foregoing, terms used in sections/chapters titled "Industry Overview", "Summary of this Draft Letter of Offer, "Financial Information", "Statement of Possible Special Tax Benefits", "Outstanding Litigations and Defaults" and "Terms of Issue" on pages 61, 14, 96, 57, 171 and 187, respectively, shall have the meaning given to such terms in such sections/ chapters.

General Terms

Term	Description
"Shree Rama Multi-Tech Limited" or "our Company", or "the Company" or "the Issuer", "we", "us", or "our"	Shree Rama Multi-Tech Limited, a public limited company incorporated in India under the Companies Act, 1956, having its registered office at 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380 009, Gujarat, India.

Company related Terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s. Mahendra N. Shah & Co., Chartered Accountants.
Audited Financial Statements/ Audited Financial Information	The audited standalone financial statements of our Company for the financial year ended March 31, 2022 which comprises of the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the cash flow statement and the standalone statement of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see "*Financial Statements*" on page 96.
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Share(s)	The equity shares of our Company of a face value of ₹5 each, unless otherwise specified in the context thereof.
Equity Shareholders	The equity shareholders of our Company, from time to time.
Erstwhile Promoter	The Erstwhile Promoters of our Company Mr. Vikram Patel, Mr. Sharad Patel, Vimpsan Investments Private Limited and Sanket Estates & Finance Private Limited.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "*Our*

Term	Description
	Management – Our Key Management Personnel" on page 94
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
NIPL	Nirma Industries Private Limited.
NCWPL	Nirma Chemical Works Private Limited.
Preference Share(s)	The 15% cumulative redeemable preference shares of our Company of a face value of ₹100 each, unless otherwise specified in the context thereof.
Preference Shareholder(s)	The preference shareholder(s) of our Company, from time to time
Previous Statutory Auditor	M/s. Chandulal M. Shah & Co., Chartered Accountants
Promoter(s)	The Promoters of our Company, namely, Nirma Chemical Works Private Limited and Nirma Industries Private Limited.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
Registrar of Companies/ RoC	The Registrar of Companies, Gujarat at Ahmedabad
Rights Issue Committee	The committee of our Board constituted through the resolution dated February 8, 2023.
Subsidiary	Subsidiary of our Company as defined under Companies Act, 2013 and the applicable accounting standard, namely, Shree Rama (Mauritius) Limited*. ** The present status of Shree Rama (Mauritius) Limited is shown as 'defunct' by the Corporate and Business Registration Department (Mauritius) under respective laws. For further details, see "Financial Statements" on page 96*
Unaudited Financial Results	The unaudited standalone financial results of our Company for the nine months period ended December 31, 2022 in accordance with Regulation 33 of the SEBI Listing Regulations, including the notes thereto.

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Rights Equity Shares in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an

Term	Description
	Investor to make an application for the Allotment of the Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper.
Banker to the Issue	Collectively, the Allotment Account Bank(s) to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●], 2022 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for receipt of the Application Money.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in the Issue and which is described in "*Terms of the Issue*" on page 187.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated Branches	Such branch/branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or such other website(s) as may be prescribed by the SEBI, from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF	This draft letter of offer dated March 22, 2023 filed with SEBI, in accordance with the SEBI ICDR Regulations, for its observations.
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholder(s)/ Eligible Equity Shareholders	Holder(s) of the Equity Shares of our Company as on the Record Date.
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share, including a share premium of ₹ [●] per Rights Equity Share, for an aggregate amount upto ₹ 7,500.00 Lakhs* on a rights basis by our Company, to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held by the Eligible Equity Shareholders on the Record Date. **Assuming full subscription*
Issue Agreement	Issue agreement dated March 22, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.

Term	Description
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to an amount upto ₹ 7,500.00 Lakhs*. **Assuming full subscription.*
Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI after incorporating observations received from SEBI on this Draft Letter of Offer, including any addenda or corrigenda thereto.
Materiality Threshold	Materiality threshold adopted by our Company in relation to the for the purpose of litigation disclosures in this Draft Letter of Offer involving our Company and/or our Subsidiary, solely for the purpose of the Issue, i.e., ₹ 150.73 Lakhs (being 1% of the total income of our Company, in terms of the Audited Financial Statements as of March 31, 2022) or above.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlements available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see "*Objects of the Issue*" on page 49.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI – Rights Issue Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circular, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●]
Registrar / Registrar to the Issue	KFin Technologies Limited *(Formerly KFin Technologies Private Limited)*
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being [●]
Registrar Agreement	Agreement dated March 21, 2023, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being [●] Rights Equity Share(s) for every [●] Equity Share(s) held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights

Term	Description
	Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlements Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, and as updated from time to time.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which the Application Money held in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter/ Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Ahmedabad are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Ahmedabad are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays as per circulars issued by SEBI.

Business and Industry related Terms/Abbreviations

Term	Description
ABL	Aluminium Based Laminate
BOPET	Biaxially Oriented Polyethylene Terephthalate
BOPP	Biaxially Oriented Polypropylene
BPCL	Bharat Petroleum Corporation Limited
CAGR	Compound Annual Growth Rate
CPG	Consumer Packaged Goods
CPI	Consumer Price Index
CPP	Cast Polypropylene
CSO	Central Statistics Office
DMF	Drug Master File
EBM	Electron Beam Melting
EVOH	Ethyl Vinyl Alcohol
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GRMs	Gross Refining Margins
HDPE	High Density Polyethylene
HPCL	Hindustan Petroleum Corporation Limited
IIP	Index of Industrial Production
IMD	Indian Meteorological Department
IMF	International Monetary Fund
IOCL	Indian Oil Corporation Limited
ISO	International Organisation for Standardization
LDPE	Low Density Polyethylene
LLDPE	Linear Low Density Polyethylene
MLP	Multi Layered Plastic

Term	Description
MoSPI	Ministry of Statistics and Programme Implementation
MSMEs	Micro, Small and Medium Enterprises
MMT	Million Metric Tonne
MT	Million Tonne
NNI	Net National Income
NSO	National Statistical Office
OPAL	ONGC Petro Additions Limited
OPEC	Organization of the Petroleum Exporting Countries
OTC	Over-the-Counter
PBL	Plastic Based Laminate
PCR	Post-Consumer Recycled
PE	Polyethylene
PET	Polyethylene Terephthalate
PFCE	Private Final Consumption Expenditure
PMI	Purchasing Managers' Index
PP	Polypropylene
PVC	Poly-Vinyl Chloride
RBI	Reserve Bank of India
RIL	Reliance Industries Limited
RGB	Rigid Glass Bottles
RoCE	Return of Capital Employed
SKU	Stock Keeping Unit
WPI	Wholesale Price Index

Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and any modifications thereto or substitutions thereof, issued from time to time.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A participant as defined under the Depositories Act
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade (formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting

Term	Description
EPS	Earnings per Share
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government/ GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository
IT	Information Technology
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchanges
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCD	Secured Redeemable Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depository Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	Non Resident Indian
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to

Term	Description
	undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulations S under the Securities Act
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	United States Securities Act of 1933
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
UAE	United Arab Emirates
US	United States of America
USD	United States Dollar
US GAAP	Generally Accepted Accounting Principles in United States
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the "**Issue Materials**") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer and the Application Form will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer and the Application Form will be dispatched by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address, on a reasonable effort basis.

Investors can also access this Draft Letter of Offer, the Letter of Offer the Abridged Letter of Offer and Application Form from the websites of our Company, the Lead Manager, the Stock Exchanges and the Registrar.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send document in, into the United States or any other jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale / offer of the Rights Equity Shares and / or the Rights Entitlement hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Materials or the date of such information.

The contents of this Draft Letter of Offer should not be construed as business legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND RIGHT EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER / ABRIDGED LETTER OF OFFER, RIGHTS ENTITLEMENT LETTER AND APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserves the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Draft Letter of Offer are to the Republic of India and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Financial Statement and Unaudited Financial Results. For further information, see "*Financial Information*" on page 96.

We have prepared our Audited Financial Information in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and Unaudited Financial Results in accordance with recognition and measurement principles laid down in Ind AS and Regulation 33 of the SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

Non-Consolidation of Financial Statements of our Subsidiary

Our Company has not been in a position to prepare consolidated financial statements with our Subsidiary, *viz.*, Shree Rama (Mauritius) Limited since the financial year 2005, in view of the resignation of all the resident directors and key managerial personnel of our Subsidiary during the financial year 2006 and audited accounts for the year ended September 30, 2003 onwards of our Subsidiary could not be prepared and provided. The status of our Subsidiary is shown as 'defunct' by the Corporate and Business Registration Department (Mauritius) under respective laws. Our Company has accordingly provided for diminution in the value of investments in the earlier years. For further details, see "*Financial Statements*" on page 96.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 84 and 160 respectively, and elsewhere in this Draft Letter of Offer have been calculated on the basis of our Audited Financial Statements.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Draft Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Certain industry related information in the sections titled "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 61, 84, 18 and 160, respectively, have been derived from an industry report titled "*CRISIL MI&A - Assessment of Polymer Packaging Industry in India*" dated March, 2023, prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (the "**CRISIL Report**"), an independent research house, pursuant to an engagement with our Company. The CRISIL Report is subject to the following disclaimer:

"*CRISIL MI&A, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shree Rama Multi-Tech Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*"

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Draft Letter of Offer in "Lakhs" units. 1,00,00,000 represents one crore and 10,00,000 represents one million.

Exchange Rates

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the US Dollar:

Currency	**Exchange rate as on**		
	December 31, 2022	**March 31, 2022**	**March 31, 2021**
1 US$	82.79	75.81	73.50

(Source: www.fbil.org.in)
Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner.
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our products;
- The loss of certain key customers on whom we are dependent for our revenue;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to procure adequate amounts of raw material at competitive prices;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory and contractual permits and approvals or waivers for our business and financial operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 84 and 160, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the chapters titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*" and "*Outstanding Litigations and Defaults*" on pages 18, 49, 84 and 171, respectively.

Summary of our Business

We are an ISO 9001:2015, ISO 15378:2017 and DMF-type III certified Company engaged in providing primary packaging solution. We currently manufacture a wide and diverse range of packaging products such as laminated tubes ("**Lami Tubes**"), tube laminates and flexible laminates. Our products are primarily used for oral care, pharmaceuticals, cosmetics and fast-moving consumer goods (FMCG) sectors. Our products are available in different sizes, diameters and circular shape as per the specifications of our customers.

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(in ₹ Lakhs)

Particulars	**Amount**
Repayment of certain outstanding borrowings including redemption of non-convertible debentures	6,171.86
General corporate purposes*	[●]
Net Proceeds	[●]

**Subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Issue*" on page 49.

Intention and extent of participation by our Promoters in the Issue

Our Promoters, *viz.*, Nirma Chemical Works Private Limited and Nirma Industries Private Limited, by their respective letters dated March 22, 2023 (the "**Promoters Subscription Letters**"), have confirmed their intention to (a) subscribe to the full extent of their aggregate Rights Entitlements in the Issue including the Rights Entitlements renounced in their favour by the other members of the Promoter and Promoter Group; and (b) subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86, of the SEBI ICDR Regulations.

The acquisition of Rights Equity Shares by our Promoters, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

As on the date of this Draft Letter of Offer, members of our Promoter Group (other than our Promoters), do not hold any Equity Shares in the Company.

Summary of Outstanding Litigations and Default

A summary of outstanding legal proceedings involving our Company as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of Cases	**Number of Cases**	**Amount Involved* (₹ Lakhs)**
LITIGATIONS INVOLVING OUR COMPANY		

Nature of Cases	Number of Cases	Amount Involved* (₹ Lakhs)
A. Proceedings involving moral turpitude or criminal liability on our Company		
- Filed by our Company	18	74.28
- Filed against our Company for which the matter is currently pending for disposal	9	-
B. Proceedings involving material violations of statutory regulation by our Company	-	-
C. Tax Matters		
- Direct Tax	18	1,088.63
- Indirect Tax	2	273.63
D. Matters involving economic offences where proceedings have been initiated against our Company	-	-
E. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company		
- Filed by our Company	4	2,578.12
- Filed against our Company for which the matter is currently pending for disposal	3	-

** To the extent quantifiable.*

For further details, see "*Outstanding Litigations and Defaults*" beginning on page 171.

Risk Factors

For details, see "*Risk Factors*" on page 18.

Contingent Liabilities

As of nine months period ended December 31, 2022, our contingent liabilities were as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As on December 31, 2022	As on March 31, 2022
a.	Dividend on 6,66,666 15% Redeemable Cumulative Preference Shares till date *(Note No. 2 below)*	300.00	300.00
b.	Interest on loans and debentures *(Note No. 5 below)*	17,888.41	17,247.37
c. (i)	Corporate guarantee given to the Banks for term loan of ₹ 400 Lakhs. *(Note No. 1 below)*	400.00	400.00
c(ii)	Bank Guarantee given to UGVCL, Sabarmati Gas Limited and Custom Authority	158.91	184.11
d.	Pending case for proceeding u/s 138 of Negotiable Instruments Act *(Note No. 3 below)*	200.00	200.00
e.	Penalty levied u/s 271(1)(c) of the Income Tax Act for different years against which, decision of ITAT favoured in Company and aggrieved by it, Revenue filed Tax Appeal before Hon'ble High Court of Gujarat and matter is pending	1,076.51	1,147.79
f.	Disputed matter in respect of TDS *(Note No. 8 below)*	1.35	-
g.	Disputed matter in respect of income tax matters *(Note No. 9(a) and 9(b) below)*	10.77	-
h.	Disputed matters in respect of Excise and Service Tax *(Note no. 11 below)*	273.63	273.63
i.	Claims against the Company not acknowledged as debts in respect of HR related cases	38.62	37.62

Sr. No.	Particulars	As on December 31, 2022	As on March 31, 2022
j.	In respect of office premises at Mumbai taken on Leave & License by the Shree Rama Multi-Tech Limited ("**Company**") from Khandwala Securities Limited ("**KSL**"), the matter went into the litigations with various courts till the Special Leave Petition ("**SLP**") before Hon'ble Supreme Court which was dismissed by Hon'ble Supreme Court on February 28, 2020. However, the Hon'ble Supreme Court disposed the SLP with liberty as permissible under the law. The Company has provided for Rent after adjusting outstanding amount of deposit of KSL in books of accounts in F.Y. 2019-20. Further, KSL has filed an Execution Application with Hon'ble Small Cause Court, Mumbai on April 28, 2022 for the execution of decree which was received by the Company on August 27, 2022. However, the Hon'ble Small Cause Court, Mumbai has transferred the Execution Application of decree to Civil Court at Gandhinagar, Gujarat for its execution.		

Notes:

1. *Andhra Bank Limited. has filed suit in Debt Recovery Tribunal against East West Polyart Limited as Principal Debtor and the Company as a guarantor and Recovery Officer has demanded ₹ 933.34 Lakhs (net of Recovery already made and including interest). Review Application filed by the Company against Demand Notice has been admitted by Debt Recovery Tribunal, Ahmedabad.*

2(a). *In respect of 10,00,000 15% Cumulative Preference Shares of ₹ 100/- each which were redeemable in three equal instalments at the end of third, fourth and fifth year from March 30, 1998. 3,33,334 Preference Shares being first instalment were redeemed on March 30, 2001. The remaining 6,66,666 Preference Shares are yet to be redeemed.*

2(b). *The Company has declared and provided in books dividend of ₹ 100 Lakhs for the year 2000-01 on 6,66,666 15% Redeemable Preference Shares. In view of the pending approval of the scheme from Hon'ble High court of Gujarat, the Company had not reversed the said provision and also not transferred the said amount to Investor Education and Protection Fund. However, the Hon'ble High Court of Gujarat has dismissed an O J Appeal and the Company has filed Review Application on November 02, 2020 before Hon'ble High Court of Gujarat against the order. Hence, the Company has not reversed the said provision and also not transferred the said amount to IEPF.*

3. *The lenders holding post-dated cheques have initiated action u/s. 138 of the Negotiable Instruments Act, 1881 for ₹ 200 Lakhs. In respect of other lenders who has initiated actions u/s 138 has settled dues under OTS and necessary withdrawal petition are under process.*

4. *The Company had filed the scheme of Arrangement and Compromise with the Financial Institutions / Banks and Shareholders on July 17, 2008 bearing petition No. 401/2008 and it is approved by majority of Shareholders and lenders in the meeting held on August 27, 2008 and August 30, 2008 respectively. The said scheme was dismissed by the single bench of Hon'ble High Court of Gujarat. The Company had filed an O.J appeal against the order of single bench in petition of the scheme of compromise and arrangement u/s 391 of the Companies Act. However, the Hon'ble High Court of Gujarat has passed an order on February 20, 2020, whereby the O.J. Appeal filed by the Company against the order of single bench of Hon'ble High Court of Gujarat has been dismissed. The Company has filed Review Application on November 02, 2020 before Hon'ble High Court of Gujarat against the order.*

5. *In respect of loans and debentures aggregating to ₹ 6,171.86 Lakhs which are under settlement as per scheme, the company has not provided interest of ₹ 641.04 Lakhs (Previous Year ₹ 854.72 Lakhs) on the same for the period ending on December 31, 2022. The accumulated interest not provided for up to December 31, 2022 is ₹ 17,888.41 Lakhs (Previous Year ₹ 17,247.37 Lakhs)*

6. *The Company has entered into a settlement agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before March 31, 2023 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by March 31, 2023 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed with the lenders/Preference Shareholder.*

7. *In respect of Tax assessments for A.Y. 2012-13 & 2013-14, the income tax department has made additions or disallowances amounting to ₹ 18,372.87 Lakhs in respect of treatment of gain arising on settlement /waiver of loans and for other matters which has resulted into reduction of carried forward*

losses under income tax Act, against which company has filed appeal before ITAT.

8. *The Assistant Commissioner of Income Tax, TDS Circle, Ahmedabad vide its order dated March 16, 2022 (**"Order"**) directed our Company to pay an aggregate amount of ₹ 1.35 Lakhs towards failure of deduction of TDS for the assessment year 2015 – 2016 and interest payable under section 201(1A) of the Income Tax Act, 1961. The Assistant Commissioner of Income Tax vide its notices dated March 16, 2022 and June 2, 2022 directed our Company to pay a sum of ₹ 1.35 Lakhs. Against this order, appeal was filed before CIT(A) which is pending as on date.*

9(a). *In respect of AY 20-21, the Income Tax Department has made disputed additions of ₹ 843.53 Lakhs in respect of various matters and raised demand of ₹ 264.92 Lakhs against which the Company has filed Appeal before CIT(A). Further, Order u/s 154 of IT has been received determining total income ₹ 33.45 Lakhs and adjusted demand of ₹ 8.70 Lakhs against refund for which the Company has filed appeal before CIT(A) against the same.*

9(b). *In respect of AY 21-22, the Income Tax Department has made disputed addition of ₹ 7.77 Lakhs and adjusted demand of ₹ 2.07 Lakhs against refund for which the Company has preferred Appeal before CIT(A) and no provision is made for the same.*

10. *The Company had raised the claim of ₹ 50.49 Lakhs to jobber, Futuristic Packaging Private Limited. towards loss due to rejection of materials from our vendors. The Company had filed summary suit for recovery of money before City Civil Court, Ahmedabad. Further, in respect of another entity of the same group (Futuristic Marketing Solutions), the Company has held payable amount of ₹ 11.45 Lakhs due to quality issue. The said party has filed the summary suit for the recovery of the money against the Company.*

11(a). *The Excise Department had raised demand for Accounting Year 2004-05 by denying CENVAT Credit of ₹ 131.45 Lakhs in respect of Raw Material used for new Plant in the Trial Run and also imposed the penalty of ₹ 131.45 Lakhs against which the Company has filed an Appeal before CESTAT and it has allowed the Company's Appeal. The Department has filed an Appeal against the said Order in the High Court which is pending for Final Hearing.*

11(b) *The Central GST Division, Kalol has also raised Demand for ₹ 10.73 Lakhs and also imposed interest for audit of Excise for the period March, 2014 to March, 2016 against which the Company has filed an Appeal to the Commissioner and matter is remanded back to the Assessing Officer for fresh Adjudication.*

For details of contingent liabilities during Fiscal 2022, see "*Financial Statements – Note 49 – Contingent Liabilities and Contingent Assets*" on page 96.

Related Party Transactions

For details of our related party transactions as per Ind AS 24 during nine months period ended December 31, 2022 and Fiscal 2022, see "*Financial Statements*" on page 96.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and Financial Statements on page 96, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 84 and 160, respectively, included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

In this section, unless the context otherwise requires, a reference to "our Company", "we", "us" or "our" is a reference to Shree Rama Multi-Tech Limited on a standalone basis.

INTERNAL RISK FACTORS

1. ***Our Company proposes to utilise a significant portion of the proceeds of the Rights Issue towards repayment of certain outstanding Borrowings which were originally availed by our Company during the regime of the Erstwhile Promoters from various banks and financial institutions in the Fiscal 1999-2000 and Fiscal 2000-2001. Considering the mismanagement and financial irregularities which led to a default in repayment of these Borrowings and subsequent write off of certain amount in the books of accounts, our Company is unable to demonstrate the ultimate utilisation of these outstanding Borrowings towards the purposes for which the same were availed.***

Our Company has certain outstanding borrowings including non-convertible debentures (collectively referred to as "**Borrowings**") which were originally availed by the Company from banks and financial institutions ("**lenders**") in the year Fiscal 1999-2000 and 2000-01, during the regime of the Erstwhile Promoters, for the purpose of capital expenditure, working capital requirements etc. Due to mismanagement and financial irregularities during the regime of the Erstwhile Promoters, our Company had faced serious financial difficulties during the Fiscals 2002 - 2003 and subsequently defaulted in repayment of these Borrowings.

Most of the lenders had assigned these Borrowings to certain asset reconstruction companies which later in turn were assigned or transferred, to Nirma Chemical Works Private Limited ("**NCWPL**"), one of our Promoter and other lender, *viz.*, Nirma Credit and Capital Private Limited ("**NCCPL**") in the Fiscal 2009-10. As a part of the proceeds of the Rights Issue, the Company proposes repayment of these Borrowing.

The details of the Borrowings and the status of the assignment, are as under:

S. No.	Present Lenders	Facility	Principal amount as on December 31, 2022 *(₹ in Lakhs)*	Purpose of availing loan	Original lenders and current status
1.	Nirma Chemical Works Private Limited	Term Loan	2,500.00	To part finance the import of plant and machinery for expansion cum diversification programme	Export and Import Bank of India, the erstwhile lender, had assigned the loan to ARCIL and thereafter by ARCIL to Nirma Chemical Works Private Limited

S. No.	Present Lenders	Facility	Principal amount as on December 31, 2022 *(₹ in Lakhs)*	Purpose of availing loan	Original lenders and current status
2.	Nirma Chemical Works Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	3,000.00	To finance expansion project to increase the installed capacity	ICICI Bank Limited, the erstwhile lender, had assigned the NCDs to ARCIL and thereafter by ARCIL to Nirma Chemical Works Private Limited
3.	Nirma Chemical Works Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	477.36	Long-term working capital	Life Insurance Corporation of India, erstwhile lender, had assigned the NCDs to Nirma Chemical Works Private Limited
4.	Nirma Credit and Capital Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	194.50	Long-term working capital	General Insurance Corporation of India, erstwhile lender has assigned the NCDs, to Nirma Credit and Capital Private Limited

For details, see "*Objects of the Issue*" and "*Financial Statements*" beginning on pages 49 and 96, respectively.

Additionally, in the year 2002, certain companies belonging to the Erstwhile Promoters and members of the promoter group ("**Borrowers**") had borrowed funds through an issue of secured redeemable optionally fully convertible premium note ("**Premium Notes**") to Nirma Industries Private Limited **("NIPL")**. The Premium Notes were secured with a pledge of Equity Shares of the Company ("**Pledged Shares**") held by the Erstwhile Promoters and members of the promoter group. The pledge was created to secure the Premium Notes held by both NCWPL and NIPL (hereinafter for the sake of brevity jointly referred as "**Acquirers**" & "**Current Promoters**"). Since the Borrowers were unable to redeem the Premium Notes, the Current Promoters had invoked the pledge of the Equity Shares of the Company and intimated the Borrowers on July 22, 2005 that they have invoked the pledge of the Equity Shares of Company in accordance with the terms of the subscription agreements and deed of pledge which triggered an open offer under Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended ("**SEBI Takeover Regulations**") *vide* public announcement dated July 26, 2005. Further, the Acquirers had made an application vide letter dated September 22, 2006 to SEBI seeking the permission to withdraw the open offer on the ground of such mismanagement and financial irregularities during the regime of the Erstwhile Promoters. However, SEBI denied the acceptance of the withdrawal *vide* letter dated April 30, 2007, then by SAT *vide* order dated June 5, 2008 and later on by the Supreme Court *vide* order dated May 9, 2013. Consequently, the Acquirers had to proceed with the open offer *vide* a Letter of Offer dated January 9, 2014. On completion of said open offer, the Acquirers became the Promoters of the Company with effect from February 14, 2014.

Basis the above facts and background, our Company is unable to justify and demonstrate the ultimate utilisation of these long outstanding Borrowings towards the purposes for which the same were availed during the regime of the Erstwhile Promoters.

2. Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner may result in the decline of the demand for our products, which may have an adverse impact on our business, results of operations and prospects.

One of the factors on which our results of operations are dependent is our ability to anticipate and keep pace with rapid and continuing changes in technology, industry standards and respond to changes in customer preferences and design new solutions or modify our existing solutions in line with changes in customer demands and preferences. If we are unable to anticipate, gauge and respond to changing customer preferences or if we are unable to adapt to such changes by modifying our existing products or launching new products on a timely basis, we may fail to attract customers and our inventory may become obsolete. Additionally, we incur expenses in the design and development of our products and we cannot assure you that our current portfolio of designs and any products we introduce, will be well received by our customers, or that we will be able to recover the expenditure we incurred in designing and developing such products.

Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, we cannot assure you that we will be able to develop or secure the necessary technological knowledge or capability that will allow us to develop our product portfolio in this manner. Moreover, we cannot assure you that we will be able to achieve the technological advancements that may be necessary for us to remain competitive or that certain of our products will not become obsolete. Any one of these circumstances could have a material adverse effect on our ability to obtain and successfully complete important customer engagements.

3. We are subject to strict quality requirements and customer inspections, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.

We specialize in manufacturing laminated tubes ("**Lami Tubes**"), tube laminates and flexible laminates primarily catering to oral care, pharmaceuticals, cosmetics and fast moving consumer goods sectors. We also manufacture various others packaging solutions on technical specifications and designs stipulated by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in laminated tubes manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty products by our major customer groups. This may lead to cancellation of supply orders by our customers and at certain instances may impose additional costs.

While we have put in place quality control procedures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or product recalls. Any defect in our Company's products could also result in customer claims for damages. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

Further, our customers generally have the right to inspect our facility, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facility. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or cancel the purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

4. Our Company has been unable to repay certain secured term loans, non convertible debentures and unable to redeem the Preference Shares since FY 2002-03. Any such events can have an adverse impact on the future borrowings of our Company.

We have in the past not been, and continue to not be, compliant with certain covenants, in relation to certain loan agreements, which have resulted and potentially could result in an event of default under the respective loan agreements and cross-defaults under other instruments, thereby accelerating our obligations under our debt facilities.

The details of such principal amount of secured term loans and non-convertible debentures as per the terms and conditions of such loan facilities since FY 2002-03, which we were unable to repay are as under:

S. No.	**Present Lenders**	**Facility**	**Principal amount as on December 31, 2022 *(₹ in Lakhs)***	**Status**
1.	Nirma Chemical Works Private Limited	Term Loan	2,500.00	Export and Import Bank of India, the erstwhile lender, had assigned the loan to ARCIL and thereafter by ARCIL to Nirma Chemical Works Private Limited
2.	Nirma Chemical Works Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	3,000.00	ICICI Bank Limited, the erstwhile lender, had assigned the NCDs to ARCIL and thereafter by ARCIL to Nirma Chemical Works Private Limited
3.	Nirma Chemical Works Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	477.36	Life Insurance Corporation of India, erstwhile lender, had assigned the NCDs to Nirma Chemical Works Private Limited

S. No.	Present Lenders	Facility	Principal amount as on December 31, 2022 *(₹ in Lakhs)*	Status
4.	Nirma Credit and Capital Private Limited	Redeemable Non-Convertible Debentures ("**NCDs**")	194.50	General Insurance Corporation of India, erstwhile lender has assigned the NCDs, to Nirma Credit and Capital Private Limited

Further, our Company had issued 10,00,000 15% Cumulative Redeemable Preference Shares of face value of ₹100 each ("**Preference Shares**") on March 30, 1998 to Industrial Development Bank of India, *vide* subscription agreement dated March 27, 1998. The Preference Shares were to be redeemed in three equal instalments at the end of 3rd, 4th and 5th year from March 30, 1998. In the year 2001, 3,33,334 Preference Shares were redeemed and the remaining 6,66,666 Preference Shares are yet to be redeemed. Our Company has not been able to pay any dividend and interest, on currently outstanding Preference Shares since 2001. The Preference Shares held by Industrial Development Bank of India were later transferred and currently outstanding. Our Company has received a consent from the present Preference Shareholder *vide* letter dated January 1, 2021 for the waiver of accumulated dividend and accumulated interest upon the redemption of the remaining Preference Shares up to July 31, 2023 or such other date, which he agrees to extend in writing at his sole discretion. Further, our Company has filed petition on March 17, 2023 before the National Company Law Tribunal, Ahmedabad Bench under section 55(3) of the Companies Act, 2013 to issue and allot 7,66,666 redeemable preference shares of face value of ₹100 each on the same terms and conditions to the existing preference shareholder of the value equivalent to the existing outstanding 6,66,666 unredeemed preference shares amounting to ₹ 666.66 Lakhs together with unpaid dividend of ₹100.00 Lakhs thereon. Upon sanction of the aforesaid petition and issue of these further redeemable preference shares, the existing unredeemed preference shares shall be deemed to have been redeemed.

In addition, the present lenders may enforce their respective security interest in certain of our assets. Any inability to comply with the covenants under our financing agreements or to obtain the necessary consents required thereunder may lead to termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such financing agreements and enforcement of any security provided. Any of these circumstances or event would have an impact on the future borrowings of our Company and material adverse effect our business, results of operation, financial condition and prospects.

5. ***Our Company proposes to utilize a major portion of the Net Proceeds to repay certain outstanding borrowings including for redemption of non-convertible debentures and the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to use a major portion of the Net Proceeds for the purposes of repayment of certain outstanding borrowings including redemption of non-convertible debentures. Part of such outstanding borrowings including non-convertible debentures is currently held by one of our Promoters. Further such utilisation of the Net Proceeds will not result in creation of any tangible assets. The details of the borrowings including non-convertible debentures identified to be repaid using the Net Proceeds have been disclosed in "*Objects of the Issue*" on page 49. However, the repayment of the identified borrowings are subject to various factors including, (i) any conditions attached to the loans restricting our ability to pay the borrowings and time taken to fulfil such requirements and (ii) receipt of consents of the Shareholders, wherever applicable. In the event we are unable to repay the outstanding amount, it would have a material adverse effect our business, results of operation, financial condition and prospects.

6. ***Our Company is involved in certain legal proceedings, which, if determined adversely, may affect our reputation, business and financial condition.***

We are currently, and may in the future be, involved in lawsuits including lawsuits involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions and other matters. In addition, we are subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage.

Our Company is currently involved in certain legal proceedings. These proceedings are pending at different levels of adjudication. The summary of outstanding litigations by and against our Company have been set out below:

Nature of Cases		Number of Cases	Amount Involved* (₹ Lakhs)
LITIGATIONS INVOLVING OUR COMPANY			
A.	**Proceedings involving moral turpitude or criminal liability on our Company**		
-	Filed by our Company	18	74.28
-	Filed against our Company for which the matter is currently pending for disposal	9	-
B.	**Proceedings involving material violations of statutory regulation by our Company**	-	-
C.	**Tax Matters**		
-	Direct Tax	18	1,088.63
-	Indirect Tax	2	273.63
D.	**Matters involving economic offences where proceedings have been initiated against our Company**	-	-
E.	**Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**		
-	Filed by our Company	4	2,578.12
-	Filed against our Company for which the matter is currently pending for disposal	3	-

** To the extent quantifiable.*

The amounts claimed in these proceedings have been disclosed to the extent ascertainable/ quantifiable and include amounts claimed jointly and severally. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. We may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If any new developments arise, such as changes in Indian law or any rulings against us, we may need to make provisions in our financial statements that could increase our expenses and liabilities. For further details, see "*Outstanding Litigations and Defaults*" on page 171.

7. Statutory auditors of our Company have included certain qualifications, emphasis of matters, adverse remarks and other observations in their audit reports of our Company. Further our secretarial auditor has also provided certain observation in their secretarial audit report.

Our auditors' review report on Unaudited Financial Results for the quarter and nine months ended December 31, 2022 and the auditors' report on our Audited Financial Statements contains certain qualifications relating to non-provision of interest on borrowings including non-convertible debentures and non-consolidation of accounts of subsidiary and emphasis of matters relating to scheme of compromise and arrangement filed by the Company before the High Court of Gujarat. Our auditors' report on our Audited Financial Statements and Unaudited Financial Results also contains other observations. Our Company has made borrowings in the form of loans, debentures, etc. in earlier years, which are under settlement with the lenders. For further information, see "*Financial Statements*" on page 96. There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications or emphasis of matters or that such qualification or emphasis of matters will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations and financial condition in such future fiscal periods.

Further, our secretarial auditor has provided certain observations in its secretarial audit report for Fiscal 2022 relating to non-consolidation of accounts of wholly owned subsidiary, 6,66,666 Preference Shares which are yet to be redeemed and the Company has declared and provided in books of accounts dividend of ₹100 Lakhs for the year 2000-2001 on 6,66,666 Preference Shares, which the Company had not reversed and also not transferred the said amount to IEPF. There is no assurance that our secretarial auditors' reports for any future fiscal periods will not contain such observations.

For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 96 and 160, respectively. Accordingly, investors should read our Unaudited Financial Results and Audited Financial Statements mentioned in chapter titled "*Financial Statements*" on page 96, in the context of such auditor qualifications/ observations and other matters of emphasis highlighted by our statutory auditors with respect to our financial information. Investors should consider these matters in evaluating our financial position, cash flows and results of operations.

8. Certain corporate records of our Company are not traceable such as tripartite agreement with CDSL and NSDL.

We have been unable to trace the copies of certain of our corporate records, i.e., tripartite agreement with CDSL and NSDL. Though our Company has made efforts to retrieve such records however, we have been not able to trace certain corporate records. There is no certainty that these records will be available in the future. While we believe that our Company has duly entered in an agreement with CDSL and NSDL, we have not been able to obtain copies of these documents. We cannot assure you that we will not be subject to any adverse action by a competent regulatory authority in this regard.

9. Our Company had been barred by SEBI for accessing securities market in the past during the regime of the Erstwhile Promoters.

SEBI, *vide* its order dated September 6, 2004 ("**SEBI Order**") under Sections 11 and 11B of the SEBI Act, 1992 read with Regulations 11 and 13 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 ("**Prohibition of Fraudulent and Unfair Trade Practices Regulations**"), had restrained our Company and its erstwhile directors, *viz*., Vikram Patel, Sharad Patel, Prakash Patel, Rambhai Patel, Hansraj Kanji and Dr. Prakash Trivedi from accessing the securities market and prohibited them to buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of five (5) years from the date of the order. The said SEBI Order was challenged before Securities Appellate Tribunal ("**SAT**") and SAT *vide* its order dated August 1, 2007 in the appeal filed by our Company and its erstwhile directors, had remanded it back to SEBI for passing a fresh order in accordance with law. SEBI, by its order dated June 6, 2008, determined that our Company had contravened the provisions of Regulation 4 (a) and (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 ("**Prohibition of Fraudulent and Unfair Trade Practices Regulations - 1995**") read with Regulation 13 of Prohibition of Fraudulent and Unfair Trade Practices Regulations and our Company and erstwhile directors being Vikram Patel and Sharad Patel were restrained from accessing the securities market and prohibited to buy, sell or otherwise deal in the securities market, either directly or indirectly, for a period of five (5) years with effect from June 6, 2008. Further, SEBI *vide* its said Order disposed off the show cause notice dated March 14, 2003 issued to other erstwhile directors being Rambhai Patel, Hansraj Kanji and Dr. Prakash Trivedi without any directions.

10. We are exposed to foreign currency exchange rate fluctuations, which may impact our results of operations and cause our financials performances to fluctuate.

Our Audited Financial Statements and Unaudited Financial Results are presented in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are in foreign currencies, mostly the U.S. dollars. The exchange rate between the Indian Rupee and foreign currencies has fluctuated in the past and this has impacted our results of operations in the past and may also impact our business in the future. For nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, our revenue from operation on account of export sales was ₹ 4,027.79 Lakhs, ₹ 3,040.19 Lakhs and ₹ 3,542.12 Lakhs, respectively. Further, during the nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, our Company had imported the raw material of ₹ 3,606.09 Lakhs, ₹ 4,199.81 Lakhs and ₹ 2,953.72 Lakhs, respectively. Therefore, we have exposure to foreign currency risks in respect of our export sales and raw materials imports. An appreciation of the Rupee decreases the Rupee amount of revenue from sales made in foreign currency. A depreciation of the Rupee would result in an increase in the prices of our imported raw materials. There can be no guarantee that such fluctuations will not affect our financial performance in the future.

11. We have certain contingent liabilities that have not been provided for in our financial statements, which if materialise, may adversely affect our financial condition.

As of nine months period ended December 31, 2022, our contingent liabilities were as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As on December 31, 2022	As on March 31, 2022
a.	Dividend on 6,66,666 15% Redeemable Cumulative Preference Shares till date *(Note No. 2 below)*	300.00	300.00
b.	Interest on loans and debentures *(Note No. 5 below)*	17,888.41	17,247.37
c. (i)	Corporate guarantee given to the Banks for term loan of ₹ 400 Lakhs. *(Note No. 1 below)*	400.00	400.00
c(ii)	Bank Guarantee given to UGVCL, Sabarmati Gas Limited and Custom Authority	158.91	184.11
d.	Pending case for proceeding u/s 138 of Negotiable Instruments Act *(Note No. 3 below)*	200.00	200.00
e.	Penalty levied u/s 271(1)(c) of the Income Tax Act for different years against which, decision of ITAT favoured in Company and aggrieved by it, Revenue filed Tax Appeal before Hon'ble High Court of Gujarat and matter is pending	1,076.51	1,147.79
f.	Disputed matter in respect of TDS *(Note No. 8 below)*	1.35	-
g.	Disputed matter in respect of income tax matters *(Note No. 9(a) and 9(b) below)*	10.77	-
h.	Disputed matters in respect of Excise and Service Tax *(Note no. 11 below)*	273.63	273.63
i.	Claims against the Company not acknowledged as debts in respect of HR related cases	38.62	37.62
j.	In respect of office premises at Mumbai taken on Leave & License by the Shree Rama Multi-Tech Limited ("**Company**") from Khandwala Securities Limited ("**KSL**"), the matter went into the litigations with various courts till the Special Leave Petition ("**SLP**") before Hon'ble Supreme Court which was dismissed by Hon'ble Supreme Court on February 28, 2020. However, the Hon'ble Supreme Court disposed the SLP with liberty as permissible under the law. The Company has provided for Rent after adjusting outstanding amount of deposit of KSL in books of accounts in F.Y. 2019-20. Further, KSL has filed an Execution Application with Hon'ble Small Cause Court, Mumbai on April 28, 2022 for the execution of decree which was received by the Company on August 27, 2022. However, the Hon'ble Small Cause Court, Mumbai has transferred the Execution Application of decree to Civil Court at Gandhinagar, Gujarat for its execution.		

Notes:

1. *Andhra Bank Limited. has filed suit in Debt Recovery Tribunal against East West Polyart Limited as Principal Debtor and the Company as a guarantor and Recovery Officer has demanded ₹ 933.34 Lakhs (net of Recovery already made and including interest). Review Application filed by the Company against Demand Notice has been admitted by Debt Recovery Tribunal, Ahmedabad.*

2(a). *In respect of 10,00,000 15% Cumulative Preference Shares of ₹ 100/- each which were redeemable in three equal instalments at the end of third, fourth and fifth year from March 30, 1998. 3,33,334 Preference Shares being first instalment were redeemed on March 30, 2001. The remaining 6,66,666 Preference Shares are yet to be redeemed.*

2(b). *The Company has declared and provided in books dividend of ₹ 100 Lakhs for the year 2000-01 on 6,66,666 15% Redeemable Preference Shares. In view of the pending approval of the scheme from Hon'ble High court of Gujarat, the Company had not reversed the said provision and also not transferred the said amount to Investor Education and Protection Fund. However, the Hon'ble High Court of Gujarat has dismissed an O J Appeal and the Company has filed Review Application on November 02, 2020 before Hon'ble High Court of Gujarat against the order. Hence, the Company has not reversed the said provision and also not transferred the said amount to IEPF.*

3. *The lenders holding post-dated cheques have initiated action u/s. 138 of the Negotiable Instruments Act, 1881 for ₹ 200 Lakhs. In respect of other lenders who has initiated actions u/s 138 has settled dues under OTS and necessary withdrawal petition are under process.*

4. *The Company had filed the scheme of Arrangement and Compromise with the Financial Institutions / Banks and Shareholders on July 17, 2008 bearing petition No. 401/2008 and it is approved by majority of Shareholders and lenders in the meeting held on August 27, 2008 and August 30, 2008 respectively. The said scheme was dismissed by the single bench of Hon'ble High Court of Gujarat. The Company had filed an O.J appeal against the order of single bench in petition of the scheme of*

compromise and arrangement u/s 391 of the Companies Act. However, the Hon'ble High Court of Gujarat has passed an order on February 20, 2020, whereby the O.J. Appeal filed by the Company against the order of single bench of Hon'ble High Court of Gujarat has been dismissed. The Company has filed Review Application on November 02, 2020 before Hon'ble High Court of Gujarat against the order.

5. *In respect of loans and debentures aggregating to ₹ 6,171.86 Lakhs which are under settlement as per scheme, the company has not provided interest of ₹ 641.04 Lakhs (Previous Year ₹ 854.72 Lakhs) on the same for the period ending on December 31, 2022. The accumulated interest not provided for up to December 31, 2022 is ₹ 17,888.41 Lakhs (Previous Year ₹ 17,247.37 Lakhs)*
6. *The Company has entered into a settlement agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before March 31, 2023 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by March 31, 2023 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed with the lenders/Preference Shareholder.*
7. *In respect of Tax assessments for A.Y. 2012-13 & 2013-14, the income tax department has made additions or disallowances amounting to ₹ 18,372.87 Lakhs in respect of treatment of gain arising on settlement /waiver of loans and for other matters which has resulted into reduction of carried forward losses under income tax Act, against which company has filed appeal before ITAT.*
8. *The Assistant Commissioner of Income Tax, TDS Circle, Ahmedabad vide its order dated March 16, 2022 (**"Order"**) directed our Company to pay an aggregate amount of ₹ 1.35 Lakhs towards failure of deduction of TDS for the assessment year 2015 – 2016 and interest payable under section 201(1A) of the Income Tax Act, 1961. The Assistant Commissioner of Income Tax vide its notices dated March 16, 2022 and June 2, 2022 directed our Company to pay a sum of ₹ 1.35 Lakhs. Against this order, appeal was filed before CIT(A) which is pending as on date.*

9(a). In respect of AY 20-21, the Income Tax Department has made disputed additions of ₹ 843.53 Lakhs in respect of various matters and raised demand of ₹ 264.92 Lakhs against which the Company has filed Appeal before CIT(A). Further, Order u/s 154 of IT has been received determining total income ₹ 33.45 Lakhs and adjusted demand of ₹ 8.70 Lakhs against refund for which the Company has filed appeal before CIT(A) against the same.

9(b). In respect of AY 21-22, the Income Tax Department has made disputed addition of ₹ 7.77 Lakhs and adjusted demand of ₹ 2.07 Lakhs against refund for which the Company has preferred Appeal before CIT(A) and no provision is made for the same.

10. The Company had raised the claim of ₹ 50.49 Lakhs to jobber, Futuristic Packaging Private Limited. towards loss due to rejection of materials from our vendors. The Company had filed summary suit for recovery of money before City Civil Court, Ahmedabad. Further, in respect of another entity of the same group (Futuristic Marketing Solutions), the Company has held payable amount of ₹ 11.45 Lakhs due to quality issue. The said party has filed the summary suit for the recovery of the money against the Company.

11(a). The Excise Department had raised demand for Accounting Year 2004-05 by denying CENVAT Credit of ₹ 131.45 Lakhs in respect of Raw Material used for new Plant in the Trial Run and also imposed the penalty of ₹ 131.45 Lakhs against which the Company has filed an Appeal before CESTAT and it has allowed the Company's Appeal. The Department has filed an Appeal against the said Order in the High Court which is pending for Final Hearing.

11(b) The Central GST Division, Kalol has also raised Demand for ₹ 10.73 Lakhs and also imposed interest for audit of Excise for the period March, 2014 to March, 2016 against which the Company has filed an Appeal to the Commissioner and matter is remanded back to the Assessing Officer for fresh Adjudication.

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

12. We depend on certain suppliers for our raw materials and other components required for our manufacturing process which could result in delays and adversely affect our output.

Our production depends on obtaining adequate supplies of raw materials and other components on a timely basis. We purchase our main components from domestic and foreign raw material manufacturers that can satisfy our quality standards as well as those of our customers and meet our volume requirements. In light of our standards, there are few suppliers who may supply (within time) the raw materials of the required specifications and as per the quality standards, which are essential to our manufacturing process and our products. We place reliance on these key suppliers and this generally involves several risks, including a shortage of raw material and other components, increases in component costs and reduced control over delivery schedules. Also the capacity of certain of these suppliers may not be equipped to cope with increase in orders on shorter notice or may prefer their other customers to make supplies to over us.

Our top five suppliers accounted for 55.42%, 50.98% and 54.39% of our purchases (net) for the nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, respectively. Our reliance on certain key suppliers could result in delays that could adversely affect our output, results of operations and financial condition. Where alternative sources of raw materials and components are available, qualification of the alternative suppliers, establishment of reliable supplies from such sources and reliance on them over time may result in delays that could adversely affect our manufacturing processes, results of operations or financial condition.

13. Our inability to receive refund of the income tax paid by our Company in earlier years which could have a material adverse impact on our results of operations

As of December 31, 2022, our income tax receivable for past assessment year amount to ₹ 267.48 Lakhs. The said income tax receivables pertains to amount receivable from Income Tax Department toward refund of income tax (including Advance Tax, TDS and TCS) paid in earlier years. Following is the detailed break-up of assessment year wise income tax receivable as on December 31, 2022:

(₹ in Lakhs)

Assessment year	**Amount**
1999-2000	78.44
2000-2001	75.42
2002-2003	2.90
2005-2006	8.60
2006-2007	0.05
2008-2009	1.09
2009-2010	55.94
2020-2021	24.69
2021-2022	2.07
2022-2023	11.42
2023-2024	6.86
Total	**267.48**

Further, our Company has received refund for assessment years 2009-2010, 2020-2021 and 2022-2023 of ₹ 55.53 Lakhs, ₹ 9.90 Lakhs and ₹ 11.87 Lakhs, respectively which also includes interest in the month of January 2023 and February 2023.

However, we cannot guarantee that, we will be able to receive refund of the tax paid in earlier years from the Income Tax Department in a timely manner or at all in future. If we are unable to receive the refund from the Income Tax Department, it could have a material adverse effect on the results of operations of our Company.

14. In the event we are unable to procure adequate amounts of raw material, at competitive prices, our business, results of operations and financial condition may be adversely affected. Further, we do not generally enter into agreements with our suppliers and accordingly may face disruptions in supply from the current suppliers.

The primary raw materials required to manufacture our products are plastic granules, aluminum foil, ink, cap, shoulders, plastic and polyester films. The cost of materials consumed in our manufacturing process accounted for 65.17%, 68.59% and 55.91% of our total expenses during the nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, respectively. We generally do not enter into agreements with suppliers of our raw materials that we purchase and typically transact business on an order-by-order basis. Further, our Company has a system of procuring raw materials and maintain the required stock on the basis of past business performance of our Company. We cannot assure you that there will not be a significant disruption in the supply of raw materials from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness, service, financial stability and labour and other ethical practices.

Additionally, we cannot assure you that the raw material suppliers will continue to be associated with us on reasonable terms, or at all. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such raw material suppliers, which may cause them to cater to our competitors alongside, or even instead of us. The amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers.

While historically we have not experienced a shortfall or limited availability of raw materials that has affected our operations, we cannot assure you that there will not be any seasonal factors, or a significant and prolonged interruption or a shortage in the supply of our critical raw materials. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations. Further, an increased cost in the supply of raw material arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower net revenue from operations both in the short and long term.

15. ***A shortage or non-availability of electricity may affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require continuous supply of electricity and any shortage or non-availability may adversely affect our operations. We currently depend on state electricity supply for our energy requirements, as well as backup generators in critical areas of our facility. We cannot assure you that our entire facility will be operational during power failures. This may have an adverse effect on our business, results of operations and financial condition.

16. ***Our business is dependent on our manufacturing facility and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or underutilization of our manufacturing facility could have an adverse effect on our business, results of operations and financial condition.***

We conduct our operations through our manufacturing facility located at Block No. 1557, Village: Moti Bhoyan, Kalol Khatraj Road, Taluka: Kalol, Dist: Gandhinagar, Gujarat 382721. Our business is dependent upon our ability to manage and maintain our manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same.

Some of our plant and machineries are more than 20 years old. However, on account of regular preventive maintenance and replacement of critical spare parts in timely manner, we are able to operate the said plant and machinery in efficient manner. Further, Mukesh M. Shah, Chartered Engineer *vide* his certificate dated February 16, 2023, has certified that the balance useful life of plant and machineries of the Company are estimated to be upto 20 years from the date of his certificate.

We cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

17. ***Our Company is currently part of the composite scheme of compromise and arrangement which if not withdrawn and approved by the High Court may lead to dilution of existing shareholders and/ or significantly reduce the debt obligations of our Company.***

Our Board at its meeting held on March 15, 2008, approved the Composite Scheme of Compromise and Arrangement (the "**Scheme**"), under sections 78 and 100 read with Section 391 of the Companies Act, 1956 between our Company, its Lenders and Shareholders which involved restructuring of debt outstanding in books of accounts of our Company and reduction of paid up share capital of our Company. On the Scheme becoming effective, our Company shall discharge the debt and Preference Share and our Company shall stand discharged of the existing loans and settled debt of the lenders and preference shareholders Our Company *vide* Company Application no. 401 of 2008 filed the Scheme before the High Court of Gujarat ("**High Court**") for seeking direction to convene separate meetings of shareholders and lenders for approval of the Scheme. The High Court *vide* its order date July 16, 2008, directed our Company to convene separate meetings of Equity Shareholders, Preference Shareholders, Class A lenders and Class B lenders. Subsequently, our Company filed company petition no. 247 of 2008 for sanctioning of the Scheme and the High Court *vide* its Order dated July 15, 2015, dismissed the company petition 247 of 2008, *inter alia*, on the ground that the requisite material was not placed before the shareholders and creditors at the time of meeting so as to take informed decision and for approving the Scheme. Being aggrieved by the order dated July 15, 2015, our Company filed an appeal being Original Jurisdiction Appeal number 42 of 2015 before the High Court, which was dismissed by the High Court by its order dated February 20, 2020. An Original Jurisdiction Miscellaneous Civil Application is filed before the High Court, arising out of judgement and order dated February 20, 2020 and is currently pending.

Further, our Company has filed petition on March 17, 2023 before the National Company Law Tribunal, Ahmedabad Bench under section 55(3) of the Companies Act, 2013 to issue and allot 7,66,666 redeemable preference shares of face value of ₹100 each on the same terms and conditions to the existing preference shareholder of the value equivalent to the existing outstanding 6,66,666 unredeemed preference shares amounting to ₹ 666.66 Lakhs together with unpaid dividend of ₹100.00 Lakhs thereon. Upon sanction of the aforesaid petition and issue of these further redeemable preference shares, the existing unredeemed preference shares shall be deemed to have been redeemed.

As our Company is proposing repayment of certain outstanding borrowings and redemption of non-convertible debentures from the proceeds of the Rights Issue, our Company shall withdraw Original Jurisdiction Miscellaneous Civil Application filed before the High Court and the Scheme on or before opening of the Issue.

18. ***If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.***

We have entered into agreements for short term and long term borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business etc., which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. As of December 31, 2022, our Company had total indebtedness (fund based as well as non-fund based) on a standalone basis of ₹ 8,738.12 Lakhs.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further, in the event that we default in repayment of the financial facilities availed by us and any interest thereof, our lender(s) may enforce their rights over charge properties, which in turn could have significant adverse effect on our business operation and financial conditions. We cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

19. We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs on account of increased competition, our business could suffer.

The packaging industry in India is highly fragmented with a large number of organised and unorganised players operating in the industry. There are relatively few large companies, followed by a large number of small vendors. There are also larger packaging companies that have presence in this space, along with other segments of the packaging industry. Further, while we have an expanding product portfolio requiring us to allocate resources across these verticals, our competitors may have the advantage of focussing on one or fewer product verticals. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely affect our business and results of operations.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. We cannot assure you that we will be able to compete successfully against such competitors. There are various factors that could impair our ability to maintain our current levels of revenues and profitability in our packaging business, including the competition with other companies offering better visual appeal of the product and security features, cost effectiveness and ease of application, companies having a wide range of products etc. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the industry and the extent of our competitors' responsiveness to their clients' needs. Our continued success depends on our ability to compete effectively against our existing and future competitors. For further details, see "*Industry Overview*" on page 61.

20. Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular product of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.

We are dependent on certain key customers, particularly in the oral care, pharmaceuticals, cosmetics and FMCG sectors. Our top five customers accounted for 42.32%, 50.88% and 50.28% of our revenues from operations (excluding other operating revenue) for the nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, respectively. As we are dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers, if not replaced, may materially adversely affect our business, results of operations and financial condition. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Reliance on a limited number of customers for our business may generally involve several risks. As we are dependent on certain key customers, the loss of such customers including as a result of any dispute with or disqualification by them may materially affect our business and results of operations. The volume of sales to our customers may vary due to our customers' attempts to manage their inventory, design changes and changes in our customers' manufacturing strategy, which may result in a decrease in demand or lack of commercial success of a particular product, of which we are a major supplier. Further, we do not generally have long-term purchase agreements with our key customers and instead rely on purchase orders issued by our customers from time to time.

Our purchase orders from many of our customers generally provide for the supply of their requirements for products and the discontinuation of, loss of business with respect to, or lack of commercial success of, those particular products of which we are a major supplier of components could reduce our sales and materially adversely affect our business, results of operations and financial condition. There is no commitment on the part of the customer to continue to place new purchase orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Any of the above factors may have an adverse impact on our business, financial condition, results of operations and future prospects.

21. We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.

Our operations are subject to various government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facility. A majority of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval or its renewal. We cannot assure you that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us in obtaining, maintaining or renewing the required permits or approvals within the validity period of such approvals or permits, may result in interruption of our operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

Although we endeavour to obtain and maintain relevant regulatory approvals and permits applicable to our operations, such approvals and permits are subject to various conditions and in the event of our inability to comply with such conditions, the relevant regulatory authorities may suspend or revoke such approvals. In addition, the regulations governing our operations may be amended and impose more onerous obligations on us which may result in increased costs or subject us to penalties or disruptions in our activities, any of which could adversely affect our business.

While our manufacturing facility may be in compliance with applicable laws and regulations, we may be subject to additional regulatory requirements due to changes in governmental policies. Further we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract a penalty.

22. Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our business and our future net earnings.

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water and the management and disposal of any hazardous substances. Environmental laws and regulations and their enforcement in India and our international licensed territories are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be pre-empted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, and revocation of operating permits or shutdown of our facility.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated and may adversely affect our business, results of operations or financial condition. In the event our products are found to be non-compliant with any environmental laws or regulations, our products could be restricted from entering certain markets and we could also face other sanctions if we were to violate or become liable under environmental laws. In the event we are found to be non-compliant, the potential exposure could include fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contamination of sites can be imposed retrospectively. The amount and timing of costs under environmental laws are difficult to predict.

23. Partial or complete bans on packaging material in respect to our products may severely impact our business and future business prospects.

We are an integrated packaging solutions company engaged in the manufacturing and supply of wide and diverse range of packaging products such as laminated tubes ("**Lami Tubes**"), tube laminates and flexible laminates. Any change in policy by the Central or State Governments in India in relation to partial or complete bans on packaging material in respect to our products may severely impact our business and future business prospects. Prohibitions on plastic packaging, including a complete ban on all forms of plastic, may occur at any time and may materially and adversely impact our business, reputation and growth. Any bans on plastic packaging may materially and adversely affect the packaging sector. Ministry of Environment, Forest & Climate Change (**"MoEF&CC"**) has issued a notification dated August 12, 2021 (**"Notification"**) mandated banning of identified Single Use Plastic (**"SUP"**) items and prescribed minimum thickness of carry bag with effect from July 1, 2022. For instance, Gujarat Pollution Control Board has issued a notice of direction dated March 31, 2022, to our Company under section 5 of the Environment (Protection) Act – 1986 for non-compliance of Plastic Waste Management Rules, 2016. Our Company was directed to stop selling/ stocking/ usage of banned SUP with effect from July 1, 2022 and to take necessary action to ensure zero inventory of banned SUP items by June 30, 2022, amongst complying with other rules. However, our Company is not involved in manufacturing, importing, stocking, distribution, sales and use of SUP as termed in the notification. Further, our Company is following the action plan for back collection of plastic waste and the same is approved by Urban Development and Urban Housing Department (Swachch Bharat Mission – Urban Gujarat) *vide* its letter dated October 28, 2021.

24. We are dependent on a number of key managerial personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our business team and other key managerial personnel. We are also dependent on our key managerial personnel including our business heads for the day to day management of our business operations. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. We may require a long period of time to hire and train replacement personnel in the event qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. In the event of the loss of the services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

25. Significant disruptions of information technology systems or breaches of data security or inability to adapt to technological changes could adversely affect our business.

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. The complexity of our computer systems may make them potentially vulnerable to breakdowns, malicious intrusion and computer viruses. Further, we depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. Our future success will depend in part on our ability to respond to technological advances in the businesses in which we operate, on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies effectively or that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive.

Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and our financial performance may be impacted.

26. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of December 31, 2022, we employed 349 personnel across our operations. Any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting the region may adversely affect operations at our facility. We cannot assure you that we will always be able to arrange for alternate manufacturing facility. Any inability on our part to arrange for alternate manufacturing facility may have an adverse effect on our business, results of operations and financial condition.

Our relations with our employees are good and we have not experienced any major work stoppages due to labour disputes or cessation of work in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations.

We cannot assure you that that in the future we will be able to meet all the demands raised by our employees. We also cannot assure you that increase in the amount of wages to be paid to our employees will not have any negative financial impact on our Company. Further, any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

27. ***We hire contracted labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to maintain operational efficiencies, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, in the event that the contractor fails to pay wages to its employees, we as the principal employer of such contract labour may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees in specified situations. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

28. ***Information relating to the installed capacity, actual production and capacity utilisation of our manufacturing facility included in this Draft Letter of Offer are based on various assumptions and estimates, and future production and capacity may vary.***

The information relating to installed capacities of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates of our management, including assumptions relating to potential facility capacity, facility operating hours and potential operational days. Capacity additions to our manufacturing facility have been made on an incremental basis, including through expansion of our manufacturing facility, improving material handling and other operational efficiencies in the production process and addition of equipment or production lines from time to time. Actual production levels and future capacity utilization rates may vary significantly from the estimated installed capacities of our manufacturing facility and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture.

In relation to our utilized capacity, certain assumptions have been made in the calculation of the estimated annual installed capacities of our manufacturing facility included in this Draft Letter of Offer has been certified by Mukesh M. Shah, Chartered Engineer *vide* his certificate dated January 17, 2023 having registration no. M-0231074. Actual production levels and utilization may however vary due to seasonality in demand from the computed installed capacities of our manufacturing facility. Undue reliance should therefore not be placed on the installed capacity information for our existing manufacturing facility and any additional capacity information proposed or the historical capacity utilization rate information included in this Draft Letter of Offer.

29. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the past entered into transactions with our Directors, KMPs and enterprises over which our Directors and KMPs have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

During the nine months period ended December 31, 2022 and Fiscal 2022, the aggregate amount of such related party transactions was ₹ 341.72 Lakhs and ₹ 435.80 Lakhs, respectively. Although in terms of the Companies Act and the SEBI Listing Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board of Directors and Shareholders for certain related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will receive the necessary approvals in future. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest, which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. For further details of our related party transactions, see *"Financial Statements"* on page 96.

30. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our facility and of our products from our facility to our customers, or intermediate delivery points such as ports and railway stations, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers and suppliers. Our transportation cost constituted 3.46%, 4.36% and 3.97% of our total revenue from operations during the nine months period ended December 31, 2022, Fiscal 2022 and Fiscal 2021, respectively. Transportation strikes may also have an adverse impact on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively.

A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. An increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our customers may have an adverse effect on our profitability and results of operation. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

31. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition.

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Our manufacturing facility is covered under an industrial all risk policy which provides for various covers including fire, special perils and burglary. The raw materials imported by us are covered under a marine cargo open policy wherein raw materials imported are insured from various risks. Our products are covered under a marine cargo open policy wherein products are insured from various risks while being transported by road, rail or sea.

There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

32. Any downgrading of our Company's debt ratings could increase borrowing costs and adversely affect our access to capital and could adversely affect our profitability.

The cost and availability of debt depends on our credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our Company has been assigned rating by CRISIL *vide* its letter dated January 24, 2023 bearing reference no. RL/SHRERAM/310044/BLR/0123/51228, through which it has assigned ratings to, our bank loan facilities for ₹ 8,000.00 Lakhs as a) Long-Term Rating - CRISIL BBB -/ Stable (Reaffirmed); b) Long-Term Rating – CRISIL BBB-/Stable (Migrated from CRISIL AA (CE)/ Stable); and (c) Short Term Rating – CRISIL A3 (Migrated from CRISIL A1+(CE)). However, any adverse credit ratings or downgrading of our credit ratings in future could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins and results of operations and cash flows. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future.

33. Our Company has incurred losses in the recent past. Any losses in the future may have a significant adverse impact on our financial condition and may lead to further erosion of our net worth.

Our Company has reported a loss of ₹ 492.23 Lakhs in Fiscal 2022, which was primarily due to increase in cost of raw materials consumed and other production related expenses. However, our Company has recorded a profit of ₹ 126.44 Lakhs and ₹ 343.30 Lakhs for the nine months ended December 31, 2022 and Fiscal 2021, respectively. Our Company may incur losses in the future for a number of reasons and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If our Company incur losses in the future or unable to generate sufficient revenue to meet our financial targets or unable to have sustainable positive cash flows, investors could lose its investment and the market price of our Equity Shares could suffer.

34. We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation.

Our success depends on our ability to protect our core technologies, intellectual property and know-how. We may be unable to monitor the unauthorised use of our trademarks. As of the date of this Draft Letter of Offer, we have been granted eight trademarks including our corporate logo. We cannot assure you that the trademark, granted to us, may not be contested, circumvented or invalidated over the course of our business.

The measures we take to protect our intellectual property, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Third parties, including our competitors, may claim that our products infringe their proprietary technology and rights. Such infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Such claims and any resulting legal proceeding may subject us to additional financial burden; divert our management's attention and resources away from our core business; and if decided against our favour, may restrict us from utilising those technologies and require us to undertake significant inventory and product write-offs, redesign our products, recall our products already sold and/or refund the amounts received from selling those products. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

35. Our Registered Office is obtained on leave and license basis. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

Our Registered Office is held by us on a leave and license basis. We may not be able to successfully extend or renew license agreement upon expiration of the current term on commercially reasonable terms or at all and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses. In addition, we may not be able to locate desirable alternative sites for our operations as our business continues to grow. Further, even if we can extend or renew our license agreement, our rental payments may increase because of the high demand for the licensed properties.

36. We have commissioned a report from CRISIL Limited which have been used for industry related data in this Draft Letter of Offer and such data has not been independently verified by us.

The packaging solution industries in India are generally fragmented and there is limited reliable information which is available in the public domain. We have commissioned a report from CRISIL Market Intelligence & Analytics, a division of CRISIL Limited titled "*CRISIL MI&A - Assessment of Polymer Packaging Industry in India*" dated March, 2023 ("**CRISIL Report**"). The CRISIL Report, which has been used for industry related data that has been disclosed in this Draft Letter of Offer, uses certain methodologies for market sizing and forecasting. We have not independently verified such data. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the CRISIL Report or any other industry data or sources are not recommendations to invest in our

Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

37. Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have been not appraised by any independent agency and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" beginning on page 49. Our funding requirements are based on internal management estimates and our current business plans and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control. We may have to revise funding requirements due to reasons which may not be within the control of our management.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business and results of operations.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoter will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected.

38. The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.

Since the size of the Issue is less than ₹10,000 Lakhs, no monitoring agency is required to be appointed by our Company to oversee the deployment of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through Audit Committee will monitor the utilization of the Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

39. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.

The outbreak of COVID-19 in the first calendar quarter of 2020 (together with the resulting lockdowns, imposition of quarantines and restrictions on travel) has had, and we expect will continue to have, a negative impact on the economy and business activities in India and elsewhere, including our business operations. Lockdowns and curfews had been implemented by a few states, and a further relapse of COVID-19 cases in India could result in new lockdowns and curfews, imposition of quarantines and restrictions on travel, which could thereby adversely affect our business, prospects, financial condition and results of operations. Further, if the measures adopted and undertaken by governmental authorities fail, or if vaccinations are not administered as planned or if additional or booster doses of the vaccine are required, and not available, then there could be a significant adverse impact on the Indian (and global) economy and, in particular, the packaging industry. Additionally, outbreaks of other infectious diseases may have a similar impact.

The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. If the COVID-19 pandemic continues or if the situation worsens, our business and financial condition could be materially adversely impacted.

EXTERNAL RISK FACTORS

40. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

41. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

42. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and trading price of our Equity Shares

43. Investors may have difficulty enforcing foreign judgements against us or our management.

We are a limited liability company incorporated under the laws of India. Majority of our Directors and key management personnel are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

44. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

45. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, if a potential takeover of our Company would result in the purchase of the Rights Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

Risks relating to the Equity Shares

46. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

47. Applicants to the Issue are not allowed to withdraw their bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

48. The Rights Entitlements of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before [●]) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

49. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sale of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

50. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially exempt from taxation in India in cases where such exemption is provided under a treaty from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

51. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately fifteen days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

52. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

53. The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

54. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

55. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.

The Rights Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

56. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on February 8, 2023 pursuant to Section 62(1)(a) of the Companies Act.

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in "*Terms of the Issue*" on page 187.

Equity Shares proposed to be issued	Up to [●] Rights Equity Shares
Rights Entitlements	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 5
Issue Price per Rights Equity Share	₹ [●]
Issue Size	Up to ₹ 7,500.00 Lakhs# #*Assuming full subscription*
Equity Shares paid-up prior to the Issue	6,34,68,005 Equity Shares of ₹5 each
Equity Shares paid-up after the Issue (assuming full subscription for and allotment of the Rights Equity Shares)	[●] Equity Shares of ₹5 each
Security Codes	**ISIN:** INE879A01019 **BSE:** 532310 **NSE:** SHREERAMA **ISIN for Rights Entitlements:** [●]
Use of Issue Proceeds	For details, see "*Objects of the Issue*" on page 49.
Terms of the Issue	For details, see "*Terms of the Issue*" on page 187.
Terms of Payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

GENERAL INFORMATION

Our Company was incorporated as '*Shree Rama Multi-Tech Limited'* on December 17, 1993, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli upon conversion of a partnership firm "*M/s Shree Rama Multi Tech*". Our Company received its certificate of commencement of business dated January 11, 1994 from the RoC.

Registered Office, Corporate Identity Number and Registration Number

Shree Rama Multi-Tech Limited
18, Corporate House,
Opp. Dinesh Hall, Navrangpura,
Ahmedabad – 380 009
Gujarat, India

Corporate Identity Number: L25200GJ1993PLC020880
Registration Number: 020880

Changes in our Registered Office

Except as provided below, there have been no changes in the registered office of our Company since the date of its incorporation:

Effective Date	Details of change in the address of the Registered Office	Reason
November 19, 2005	From Ram Nivas No. 1, Khanpur, Ahmedabad – 380 001, Gujarat India to 603, Shikhar, Shrimali Society, Nr. Vadilal House, Mithakhali, Navrangpura, Ahmedabad – 380 009, Gujarat India.	Administrative reasons
November 6, 2015	From 603, Shikhar, Shrimali Society, Nr. Vadilal House, Mithakhali, Navrangpura, Ahmedabad – 380 009, Gujarat India to 301, Corporate House, Opp. Torrent House, Income Tax, Ahmedabad – 380 009, Gujarat, India.	Administrative reasons
March 6, 2023*	From 301, Corporate House, Opp. Torrent House, Income Tax, Ahmedabad – 380 009, Gujarat, India to 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380 009, Gujarat, India.	Administrative reasons

**Our Company is in the process of filing Form INC – 22 with RoC pursuant to the change in registered office.*

Address of the RoC

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

Registrar of Companies
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013
Gujarat, India

Company Secretary and Compliance Officer

Sandip Mistry
18, Corporate House,
Opp. Dinesh Hall, Navrangpura,
Ahmedabad – 380 009,
Gujarat, India
Telephone: +91 79-2754 6800/ 900
E-mail: cslegal@srmtl.com

Lead Manager to the Issue

Vivro Financial Services Private Limited
Vivro House, 11, Shashi Colony,
Opposite Suvidha Shopping Center,
Paldi, Ahmedabad – 380 007, Gujarat, India.
Telephone: +91 79 4040 4242;
Email: investors@vivro.net
Website: www.vivro.net
Investor Grievance Email: investors@vivro.net
Contact Person: Samir Santara / Kruti Saraiya
SEBI Registration Number: INM000010122

Inter-se Allocation of responsibilities

Vivro Financial Services Private Limited is the sole Lead Manager to the Issue and shall be responsible for all the following activities relating to co-ordination and other activities in relation to the Issue:

S. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instrument, number of instruments to be issued etc.
2.	Coordination for drafting and design of the Draft Letter of Offer and Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Drafting, design and distribution of the Abridged Letter of Offer, Application Form, etc. and memorandum containing salient features of the Letter of Offer.
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies and Monitoring Agency, and coordination of execution of related agreements.
5.	Drafting and approval of all statutory advertisements.
6.	Drafting and approval of all publicity material including corporate advertisements, brochure, corporate films etc.
7.	Formulation and coordination of marketing strategy, including, *inter alia*, distribution of publicity and Issue-related materials including application form, brochure and Letter of Offer and coordination for queries related to retail Investors.
8.	Submission of 1% security deposit and formalities for use of online software with the Stock Exchanges.
9.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, demat credit and refunds, and coordination with various agencies connected with the post-Issue activities such as the Registrar to the Issue, Bankers to the Issue, SCSBs, etc.
10.	Any other responsibility of the Lead Manager in accordance with SEBI ICDR Regulations.
11.	Other responsibilities as agreed in the engagement letter and issue agreement between the Company and the Lead Manager.

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
E-mail: sanjay.asher@crawfordbayley.com

Registrar to the Issue

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, India.
Telephone: +91 40 6716 2222
E-mail: srmtl.rights@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the Registrar to the Issue, or our Company Secretary and Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked , ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" on page 187.

Statutory Auditors of our Company

M/s. Mahendra N. Shah & Co.
Chartered Accountants
201, Pinnacle Business Park,
Corporate Road, Prahalad Nagar,
Ahmedabad – 380 015
Telephone: 079 2970 5151
Contact Person: CA Chirag M. Shah
E-mail: chirag@mnshahca.com
Firm Registration no. 105775W
Peer Review No.: 013057

Expert

Except as stated above, our Company has not obtained any expert opinions:

Our Company has received a written consent dated March 22, 2023 from our Statutory Auditors, M/s. Mahendra N. Shah & Co., Chartered Accountants to include their name in this Draft Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as a statutory auditor, and in respect of (i) Unaudited Financial Results along with their Limited Review Report issued thereon dated February 8, 2023; and (ii) the statement of possible special tax benefits dated March 22, 2023, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Our Company has received a written consent dated February 16, 2023 from our Chartered Engineer, Mukesh M. Shah to include his name in this Draft Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as a chartered engineer, and in respect of the certificates issued by them with respect to (i) installed capacity and extent of utilisation, and (ii) useful life of the plants and machineries in the Manufacturing Facility of the Company, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Except as stated above, our Company has not obtained any expert opinion.

Further, our Company has received written consent dated March 17, 2023 from M/s Chandulal M. Shah & Co., Chartered Accountants, Previous Statutory Auditor to include their name as required under Section 26 (1) of the

Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Letter of Offer in their capacity as our Previous Statutory Auditor, and in respect of the Audited Financial Statement along with reports issued thereon dated May 21, 2022, included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Banker to our Company

RBL Bank Limited
Ground Floor, Viva Complex,
Opp. Parimal Garden,
Off C G Road, Ellisbridge,
Ahmedabad – 380 006
Contact Person: Gaurav Gagan
Telephone: +91 80004 66437
E-mail: gaurva.gagan@rblbank.com
Website: www.rblbank.com
CIN: L65191PN1943PLC007308

Banker(s) to the Issue/ Refund Bank

[●]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time or at such other website as may be prescribed from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements*	[●]
Issue Closing Date#	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

#The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue*" beginning on page 187.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

For further details, see "*Terms of the Issue*" beginning on page 187.

Credit Rating

As the proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

As the proposed Issue is of Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹10,000.00 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

Underwriters

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Filing

This Draft Letter of Offer has been filed with SEBI located at SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011dated January 19, 2018) issued by the SEBI, and with the Stock Exchanges.

After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

Minimum Subscription

Our Promoters, *viz*., Nirma Chemical Works Private Limited and Nirma Industries Private Limited, by their respective letters dated March 22, 2023 (the "**Promoters Subscription Letters**"), have confirmed their intention to (a) subscribe to the full extent of their aggregate Rights Entitlements in the Issue including the Rights Entitlements renounced in their favour by the other members of the Promoter and Promoter Group; and (b) subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86, of the SEBI ICDR Regulations.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on aggregate basis our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

(₹ in Lakhs, except share data)

Particulars	Aggregate value at nominal value	Aggregate value at issue price
AUTHORISED SHARE CAPITAL		
20,00,00,000 Equity Shares of ₹ 5 each	10,000.00	NA
50,00,000 Preference Shares of ₹ 100 each	5,000.00	NA
Total Authorised Share Capital	**15,000.00**	NA
ISSUED AND SUBSCRIBED SHARE CAPITAL BEFORE THE ISSUE		
6,35,55,555 Equity Shares of ₹ 5 each	3,177.78	NA
6,66,666 15% Cumulative Redeemable Preference Shares of ₹ 100 each	666.67	NA
Total	**3,844.45**	NA
PAID UP SHARE CAPITAL BEFORE THE ISSUE		
6,34,68,005 Equity Shares of ₹ 5 each, fully paid up	3,176.03[1]	NA
6,66,666 15% Cumulative Redeemable Preference Shares of ₹ 100 each[2], fully paid up	666.67	NA
Total	**3,842.70**	NA
PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER[3]		
Up to [●] Equity Shares of ₹ 5 each	[●]	[●]
ISSUED AND SUBSCRIBED SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ 5 each	[●]	[●]
PAID UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ 5 each[4]	[●]	
SECURITIES PREMIUM ACCOUNT		
Before the Issue		22,825.95
After the Issue		[●]

1. *This includes ₹ 2.63 Lakhs pertaining to forfeited shares capital.*
2. *Our Company has issued 10,00,000 15% Cumulative Redeemable Preference Shares of face value of ₹100 each ("**Preference Shares**") on March 30, 1998 vide subscription agreement dated March 27, 1998. The Preference Shares were to be redeemed in three equal instalments at the end of 3rd, 4th and 5th year from the date of allotment. In the year 2001, 1/3rd portion of the Preference Shares was redeemed and remaining 6,66,666 Preference Shares are yet to be redeemed. Further, the dividend on such Cumulative Redeemable Preference Shares is unpaid since 2001. Consequently, in terms of provisions of provisos to section 47(2) of the Companies Act, 2013, such Preference Shareholder has a right to vote on all resolutions placed before the Company. The face value of Preference Share is ₹ 100 each and the Face Value of the Equity Share is ₹ 5 each. Our Company has filed petition on March 17, 2023 before the National Company Law Tribunal, Ahmedabad Bench under section 55(3) of the Companies Act, 2013 to issue and allot 7,66,666 redeemable preference shares of face value of ₹100 each on the same terms and conditions to the existing preference shareholder of the value equivalent to the existing outstanding 6,66,666 unredeemed preference shares amounting to ₹ 666.66 Lakhs together with unpaid dividend of ₹100.00 Lakhs thereon. Upon sanction of the aforesaid petition and issue of these further redeemable preference shares, the existing unredeemed preference shares shall be deemed to have been redeemed.*
3. *The Issue has been authorised by a resolution passed by our Board at its meeting held on February 8, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.*
4. *Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.*

Notes to the Capital Structure

1. **Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer**

   Except for the allotment of 6,66,666 Preference Shares allotted by the Company pursuant to Subscription Agreement dated March 27, 1998 which provides right to convert the Preference Shares in to equity shares, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

2. No Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

3. Our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

4. **Intention and extent of participation by our Promoters**

   Our Promoters, *viz*., Nirma Chemical Works Private Limited and Nirma Industries Private Limited, by their respective letters dated March 22, 2023 (the "**Promoters Subscription Letters**"), have confirmed their intention to (a) subscribe to the full extent of their aggregate Rights Entitlements in the Issue including the Rights Entitlements renounced in their favour by the other members of the Promoter and Promoter Group; and (b) subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86, of the SEBI ICDR Regulations.

   The acquisition of Rights Equity Shares by our Promoters, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

   As on the date of this Draft Letter of Offer, members of our Promoter Group (other than our Promoters), do not hold any Equity Shares in the Company.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ [●].

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares are as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

8. Details of the shareholders holding more than 1% of the paid-up equity share capital and preference share capital

   a. The details of shareholders of our Company holding more than 1% of the paid -up Equity Share capital of our Company, as on December 31, 2022 are available at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532310&qtrid=109.00&QtrName=December%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHREERAMA&tabIndex=equity.

   b. The detail of preference shareholders of our Company holding more than 1% of the issued and paid-up preference share capital of our Company:

Name of preference shareholder	Number of preference shares held	Percentage of preference shares held (%)
Rakeshbhai Karsanbhai Patel	6,66,666	100.00

9. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

a. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of the BSE at: https://www.bseindia.com/stock-share-price/shree-rama-multi-tech-ltd/shreerama/532310/shareholding-pattern/ and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHREERAMA&tabIndex=equity.

b. The statement showing holding of Equity Shares of persons belonging to the category "*Promoter and Promoter Group*" including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022, can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532310&qtrid=109.00&QtrName=December%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHREERAMA&tabIndex=equity.

c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022, as well as details of shares which remain unclaimed for public, can be accessed on the website of the BSE, at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532310&qtrid=109.00&QtrName=December%202022 and https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHREERAMA&tabIndex=equity.

OBJECTS OF THE ISSUE

Our Company intends to utilize the gross proceeds raised through the Issue ("**Gross Proceeds**"), after deducting Issue related expenses ("**Net Proceeds**") towards the following objects:

a. Repayment of certain outstanding borrowings including redemption of non-convertible debentures; and

b. General corporate purposes.

(Collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing business activities.

Issue Proceeds and Net Proceeds

The details of the Issue Proceeds are set out below:

(in ₹ Lakhs)

Particulars	Estimated amount
Gross Proceeds of the Issue*	Up to 7,500.00
Less: Issue expenses**	[●]
Net Proceeds	[●]

**Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*
***See "Estimated Issue Related Expenses" on page 55 below.*

Requirements of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set out below:

(in ₹ Lakhs)

Particulars	Amount
Repayment of certain outstanding borrowings including redemption of non-convertible debentures	6,171.86
General corporate purposes*	[●]
Net Proceeds	[●]

**The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the proposed schedule of implementation and deployment of funds set out below:

(₹ in Lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2024
Repayment of certain outstanding borrowings including redemption of non-convertible debentures	6,171.86	6,171.86
General corporate purposes*	[●]	[●]
Net Proceeds**	[●]	[●]

**The amount utilised for general corporate purpose shall not exceed 25% of the Gross Proceeds.*
***Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*

The above stated fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In case the Net Proceeds are not completely utilised in a scheduled Fiscal due to any reason, the same would be utilised (in part or full) in the next Fiscal / subsequent period as may be determined by our Company, in accordance with applicable law. For further details, see *"Risk factors - The deployment of funds raised through this Issue shall not be subject to monitoring* *by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.”* on page *35*.

In the event of any shortfall of funds for any of the Object proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the Object where such shortfall has arisen, subject to availability of funds and compliance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of utilisation of Net Proceeds

a. Repayment of certain outstanding borrowings including redemption of non-convertible debentures

Our Company has certain outstanding borrowings including non-convertible debentures (collectively referred to as “**Borrowings**”) and part of the Borrowings are currently held by one of our Promoters, *viz.*, Nirma Chemical Works Private Limited and other lender, *viz.*, Nirma Credit and Capital Private Limited. For details of the total borrowings and their history, see “*Financial Statements*” and “*Outstanding Litigations and Defaults*” beginning on pages 96 and 171, respectively.

Our Company proposes to utilize an estimated amount of ₹6,171.86 Lakhs from the Net Proceeds towards repayment of principal amount of such Borrowings availed by our Company.

The following table provides details of Borrowings availed by our Company and which are outstanding as on December 31, 2022. Our Company intends to repay the principal amount from the Net Proceeds amounting to ₹ 6,171.86 Lakhs.

Name of the existing lender	Nature of borrowing	Amount sanctioned (in ₹ Lakhs)	Principal amount outstanding as on December 31, 2022 (in ₹ Lakhs)	Interest rate (% per annum)	Interest amount outstanding as on December 31, 2022# (in ₹ Lakhs)	Purpose of availing loan	Nature of Security
Nirma Chemical Works Private Limited*	Secured Term Loan	2,500.00	2,500.00	15% p.a. on 1st disbursement amount (₹ 1,058.00 Lakhs) and 14% p.a. on 2nd disbursement amount (₹ 1,442.00 Lakhs)	7,496.85	To part finance the import of plant and machinery for expansion cum diversification programme	**Movable properties:** First charge on the whole of the movable fixed assets, etc. both present and future including movable plant and machinery spares and stores, tools and accessories. **Immovable properties:** First charge on the immovable properties situated at village Moti Bhoyan admeasuring 31,437 sq. mtrs. (Old area is 30,800 sq. mtrs.) comprised in New survey/ block no. 1396 in amalgamated block No. 1557 (Old survey no. 1104/2B, 1101, 1103, 1104/1, 1104/2K, Taluka Kalol, Dist. Gandhinagar, Gujarat and at village Thirbhuvani, Pondichery admeasuring 15,605 sq mtrs comprised of Revenue Survey No. 15/2, 15/3, 15/4, 15/6, 16/1, 16/2 and 8/2.
Nirma Chemical Works Private Limited**	Secured Redeemable Non-Convertible	3,000.00	3,000.00	13.50%	8,176.91	To finance expansion project to increase the	**Movable Properties:** First charge on the whole of the movable properties including

Name of the existing lender	Nature of borrowing	Amount sanctioned (in ₹ Lakhs)	Principal amount outstanding as on December 31, 2022 (in ₹ Lakhs)	Interest rate (% per annum)	Interest amount outstanding as on December 31, 2022# (in ₹ Lakhs)	Purpose of availing loan	Nature of Security
	Debentures					installed capacity	plant and machinery, spares, tools, accessories and other movable both present and future situated at Moti Bhoyan. **Immovable Properties:** First charge on the whole of the immovable properties admeasuring 83278 New Sq. Mtrs. (Old Sq. Mtrs. 54227) Sq. mtrs. situated at village Moti Bhoyan Taluka Kalol, Dist. Gandhinagar.
Nirma Chemical Works Private Limited***	Secured Redeemable Non-Convertible Debentures	500.00	477.36	15.50%	1,581.97	Long-term working capital	**Movable properties:** Floating Charge on the whole of the movable plant and machinery, spares, tools, accessories and other movable both present and future situated at all locations in Gujarat **Immovable properties:** First charge on the whole of the immovable properties admeasuring 83278 New Sq. Mtrs. (Old Sq. Mtrs. 54227) Sq. mtrs. situated at village Moti Bhoyan Taluka Kalol, Dist. Gandhinagar.
Nirma Credit	Secured	200.00	194.50	15.50%	632.68	Long-term	**Movable Properties:**

Name of the existing lender	Nature of borrowing	Amount sanctioned (in ₹ Lakhs)	Principal amount outstanding as on December 31, 2022 (in ₹ Lakhs)	Interest rate (% per annum)	Interest amount outstanding as on December 31, 2022# (in ₹ Lakhs)	Purpose of availing loan	Nature of Security
and Capital Private Limited****	Redeemable Non-Convertible Debentures					working capital	Charge on the whole of the movable plant & machinery, spares, tools, accessories & other movable both present and future situated at all locations in Gujarat. **Immovable Properties:** First charge on the whole of the immovable properties admeasuring 83278 New Sq. Mtrs. (Old Sq. Mtrs. 54227) Sq. mtrs. situated at village Moti Bhoyan Taluka Kalol, Dist. Gandhinagar.
Total		**6,200.00**	**6,171.86**		**17,888.41**		

#The Board of Directors has vide resolution dated November 12, 2020 approved the settlement/ wavier of interest component accumulated on the aforementioned Borrowings and entered into a settlement agreement dated January 4, 2021 with Nirma Chemical Works Private Limited and Nirma Credit and Capital Private Limited and the same shall be in effect only if the Company settles and makes payment of the principal amount up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion .

Accordingly, both the above lenders agree to forgo entire amount of interest component of approximately ₹ 17,888.41 Lakhs only if the Company settles and makes payment of the principal amount up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion. We believe the redemption of the NCDs and repayment of loans will reduce our outstanding indebtedness, debt servicing costs, improve our debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the increased leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business and to take advantage of waiver of sizable amount of interest components.

* *The term loan was originally provided by Export and Import Bank of India ("**EXIM Bank**") vide an agreement and Deed of Hypothecation both dated December 22, 1999. EXIM Bank vide an assignment agreement dated September 20, 2005 entered with Asset Reconstruction Company (India) Limited ("**ARCIL**") assigned the outstanding amount of ₹ 2,500 Lakhs of the term loan to ARCIL in accordance with the provisions of Section 5 of the SARFESI Act. Further, ARCIL vide an*

agreement dated July 8, 2009 irrevocably assigned and transferred all right, title and interest in the financial assets along with all collateral and underlying security interest and/or pledges created to secure and/or guarantees issued in respect of the repayment of loans, to Nirma Chemical Works Private Limited. Further, subject to approval of the members of the Company, the Board of Directors vide its meeting held on November 12, 2020 approved to enter into settlement agreement for settlement and waiver of the interest on the said term loan is duly extended up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion.

*** ICICI Limited ("**ICICI**") vide a debenture facility agreement dated December 12, 2000 entered between ICICI and the Company, issued 300 Secured Redeemable Non-Convertible Debentures of ₹10 Lakhs each, aggregating to ₹3,000 Lakhs. Such NCDs were to be redeemed in 3 equal instalments with January 15, 2007, January 15, 2008 and January 15, 2009 as their due date of redemptions. Subsequently, ICICI vide an assignment agreement dated December 30, 2003 entered with Asset Reconstruction Company (India) Limited ("**ARCIL**") assigned the outstanding amount of ₹ 3,000 Lakhs of the Secured Redeemable Non-Convertible Debentures to ARCIL in accordance with the provisions of Section 5 of the SARFESI Act. Further, ARCIL vide an agreement dated July 8, 2009 irrevocably assigned and transferred all right, title and interest in such financial assets along with all collateral and underlying security interest and/or pledges created to secure and/or guarantees issued in respect of the repayment of loans, to Nirma Chemical Works Private Limited. Further, the Board of Directors vide its meeting held on November 12, 2020 approved to enter into settlement agreement for settlement and waiver of the interest on the said NCDs is duly extended up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion.*

****Life Insurance Corporation of India ("**LIC**") along with General Insurance Corporation of India (GIC), The New India Assurance Company Limited and United India Insurance Company Limited vide Common Subscription Agreement dated September 17, 1999 entered with the Company, were issued 5,00,000 Secured Redeemable Non-Convertible Debentures of ₹ 100 each, aggregating to ₹ 500.00 Lakhs. Such NCDs were to be redeemed in 3 equal instalments at end of 3rd, 4th and 5th year. LIC vide an agreement dated October 29, 2009 irrevocably assigned and transferred all right, title and interest in such financial assistances with all collateral and underlying security interest and/or pledges created to secure and/or guarantees issued in respect of the repayment of loans, to Nirma Chemical Works Private Limited. Further, subject to approval of the members of the Company, the Board of Directors vide its meeting held on November 12, 2020 approved to enter into settlement agreement for settlement and waiver of the interest on the NCDs is duly extended up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion.*

*****General Insurance Corporation of India ("**GIC**") along with Life Insurance Corporation of India (LIC), The New India Assurance Company Limited and United India Insurance Company Limited vide Common Subscription Agreement dated September 17, 1999 entered with the Company, were issued 2,00,000 Secured Redeemable Non-Convertible Debentures of Rs.100 each, aggregating to ₹ 200.00 Lakhs. Such NCDs were to be redeemed in 3 equal instalments at end of 3rd, 4th and 5th year. GIC vide an agreement dated March 16, 2010 irrevocably assigned and transferred all right, title and interest in such financial assistances with all collateral and underlying security interest and/or pledges created to secure and/or guarantees issued in respect of the repayment of loans, to Nirma Credit & Capital Private Limited. Further, the Board of Directors vide its meeting held on November 12, 2020 approved to enter into settlement agreement for settlement and waiver of the interest on the NCDs is duly extended up to July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion.*

The repayment of Borrowings by utilizing the Net Proceeds will help reduce our outstanding indebtedness and improve our debt-to-equity ratio. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

b. General corporate purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ [●] Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any.

Estimated Issue Related Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] Lakhs. The Issue related expenses include fees payable to the Lead Manager and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below:

Activity	**Estimated expenses (in ₹ Lakhs)**	**As a % of total estimated Issue related expenses**	**As a % of Issue size**
Fees payable to the Lead Manager	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to legal advisors and other intermediaries	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to regulators including the SEBI and Stock Exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery expenses	[●]	[●]	[●]
Other expenses (miscellaneous expenses)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

** Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹10,000.00 Lakhs and deployment of the issue proceeds is entirely at the discretion of the Company. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating form of investments, if any, of the unutilized Net Proceeds in our balance sheet for the relevant financial years.

Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals. Pursuant to Regulation 18(3) and 32(3) of SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. Further, according to Regulation 32(1) of SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated in this chapter; and (ii) details of category wise variations, if any, in the proposed utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the Director's report in the Annual Report.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, has been appraised by any agency.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Interest of Promoters, Promoter Group and Directors, as applicable to the Objects of the Issue

Except repayment of certain outstanding Borrowings currently held by one of our Promoters as disclosed above, our Promoters, member of the Promoter Group and Directors are not interested in the Objects of the Issue.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Shree Rama Multi-Tech Limited
18, Corporate House, Opp. Dinesh Hall,
Navrangpura, Ahmedabad – 380009,
Gujarat, India.

Re: Proposed rights issue of equity shares of face value of ₹ 5 each (the "Equity Shares" and such offering, the "Issue") of Shree Rama Multi-Tech Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').

We hereby report that the enclosed Statement prepared by Shree Rama Multi-Tech Limited (the "**Company**") states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "**Income Tax Laws**"), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy) including the relevant rules and regulations there under (hereinafter referred to as "**Indirect Tax Laws**"), presently in force in India under the respective tax laws as on the signing date, for inclusion in the Draft Letter of Offer/Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only possible special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note')* issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, *'Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements'*

We do not express any opinion or provide any assurance as to whether:

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. 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 law 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 shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of
M/s Mahendra N. Shah & Co.
Chartered Accountants
Firm Registration Number: 105775W

Chirag M. Shah
Partner
Memb. No. 045706
UDIN: 23045706BGUVMZ3499

Date: March 22, 2023
Place: Ahmedabad

Encl: As above

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHREE RAMA MULTI-TECH LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS

1. Special tax benefits available to the Company under the Income Tax Laws

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Income Tax Laws

There are no special tax benefits available to the shareholders of the Company.

Notes:

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant laws.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. 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 law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHREE RAMA MULTI-TECH LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAWS

1. Special tax benefits available to the Company under the Indirect Tax Laws

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

d. 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 law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from "CRISIL MI &A - Assessment of Polymer Packaging Industry in India" dated March, 2023 prepared and issued by prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (the "**CRISIL Report**") on our request. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

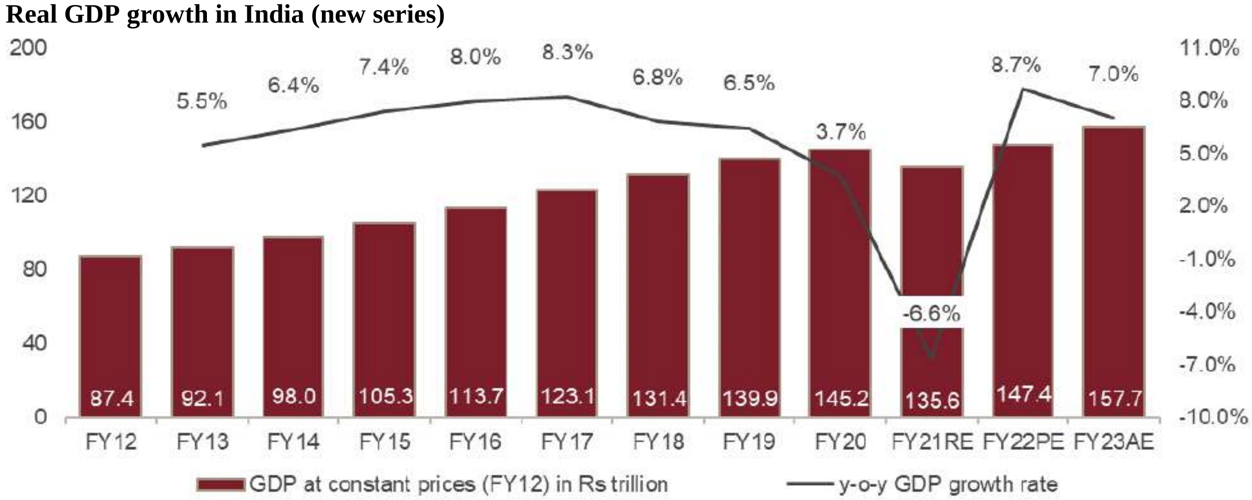
Macroeconomic overview of India

India's GDP logged 5.4% CAGR over fiscals 2012-2022

In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) changed the base year for calculating India's GDP from fiscal 2005 to fiscal 2012. Based on this, the country's GDP logged a 10-year CAGR of 5.4%, reaching Rs 147 trillion in fiscal 2022 from Rs 87 trillion in fiscal 2012.

In fiscal 2022, the economy recovered from the pandemic-related stress, aided by the resumption of economic activities and less stringent restrictions related to Covid-19. The economy faced challenges in the last quarter of fiscal 2022 owing to geopolitical pressures, resulting in higher inflation levels. With the resumption of economic activities and healthy trade flow, GDP growth was at a healthy 8.7%, albeit on a low base.

Real GDP growth in India (new series)



Note: PE: Provisional estimates; RE: Revised estimates; AE: Advance estimates
Source: Provisional estimates of national income 2021-22, Central Statistics Office (CSO), MoSPI, CRISIL MI&A

India's GDP grew 8.7% on-year in fiscal 2022

As per the provisional estimates released by the National Statistical Office, India's real GDP grew 8.7% in fiscal 2022, lower than 8.9% it had estimated in February 2022. The growth is largely a reflection of a lower base (as the economy had shrunk 6.6% in fiscal 2021). It is noteworthy that given the large output loss in the past fiscal, GDP is 1.5% above the pre-pandemic (fiscal 2020) level. Over fiscals 2012-2022, GDP clocked 5.4% CAGR.

While provisional estimates show a mild reduction in the overall size of GDP for fiscal 2021, estimates for private final consumption expenditure (PFCE) and gross fixed capital formation (GFCF) – the two major demand drivers – were marginally notched up. The latter suggests the government's continued focus on capital expenditure (capex). PFCE is still just 1.4% above the fiscal 2020 level and was the slowest to recover. Moreover, it faces strong headwinds from rising inflation.

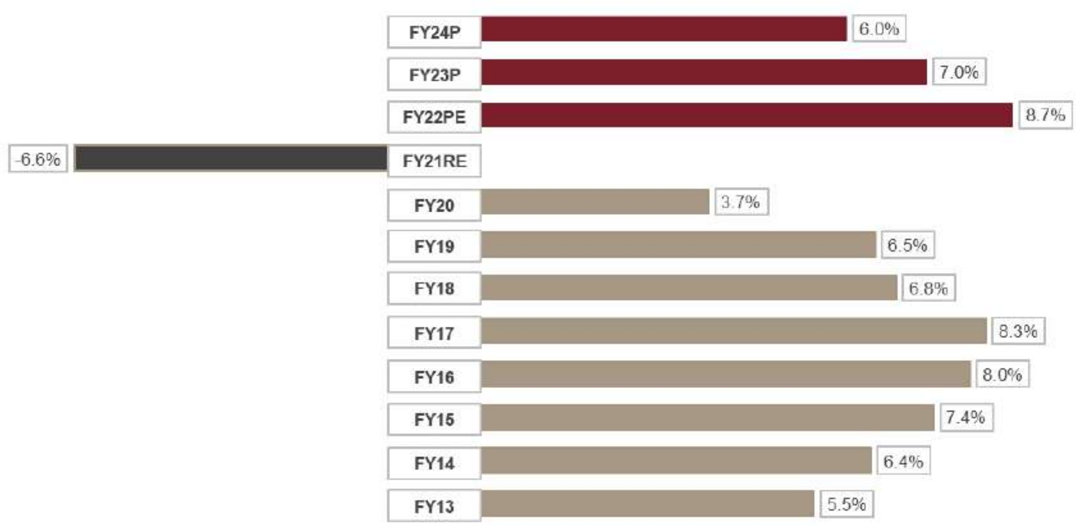
CRISIL estimates India's GDP to grow 6.0% in fiscal 2024

While recovery continues to gather pace, the economy is facing multiple risks. Global growth is projected to slow as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. Together with high commodity prices, especially oil, this may deal a trade shock for the country. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

The second quarter fiscal 2023 data reflected how global growth slowed down which had begun to spill over to the Indian economy. Long-term growth movements suggest that despite diverging now, India's growth cycles have been remarkably synchronised with that of advanced economies since the 2000s. Major developed economies are expected to fall into a shallow recession by next year. S&P Global expects the US GDP to swerve from a growth of 1.8% in 2022 to negative 0.1% in 2023, and the European Union from 3.3% to 0%. This will weaken the export prospects for India, thereby weighing on domestic industrial activity.

And while domestic demand has stayed relatively resilient so far, it would be tested next year by weakening industrial activity. It will feel the pressure from increasing transmission of interest rate hikes to consumers as well, and as the catch-up in contact-based services fades. Also, rural income prospects remain dependent on the vagaries of the weather. Therefore, increasing frequency of extreme weather events remains a key monitorable. While lowering demand for Mahatma Gandhi National Rural Employment Guarantee Act jobs is an encouraging sign for the rural economy from a job perspective, depressed wages are a matter of concern for rural demand. Because of these factors, CRISIL projects GDP growth to slow to 6% in fiscal 2024 from 7% in fiscal 2023, with risks to the downside.

Real GDP growth (% on-year)



Note: RE: Revised estimates, PE: Provisional estimates, P: Projected

Source: Advance Estimates of National Income, 2020-21, CSO, MoSPI, CRISIL MI&A

Fundamental growth drivers of GDP

India saw robust growth in per capita income over fiscals 2012-2023

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in fiscal 2012 to Rs 96,522 in fiscal 2023, logging 3.9% CAGR between fiscal 2012 and 2023. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. However, in fiscal 2021, the indicator declined 9.7% on-year owing to the impact of Covid-19. Despite a 7.5% on-year growth seen in fiscal 2022, in absolute terms, it is yet to recover to pre-pandemic levels.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 RE	FY22 PE	FY23 AE
Per-capita net national income (Rs)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,270	85,110	91,481	96,522
On-year growth (%)		3.3	4.6	6.2	6.7	6.9	5.5	5.2	2.3	-9.7	7.5	5.5
CAGR 12-23	3.9%											

Note: RE: Revised estimates, AE: Advance estimates

Source: Second Advance Estimates of Annual National Income, 2020-21, CSO, MoSPI, CRISIL MI&A

India's per capita GDP grows faster than global average

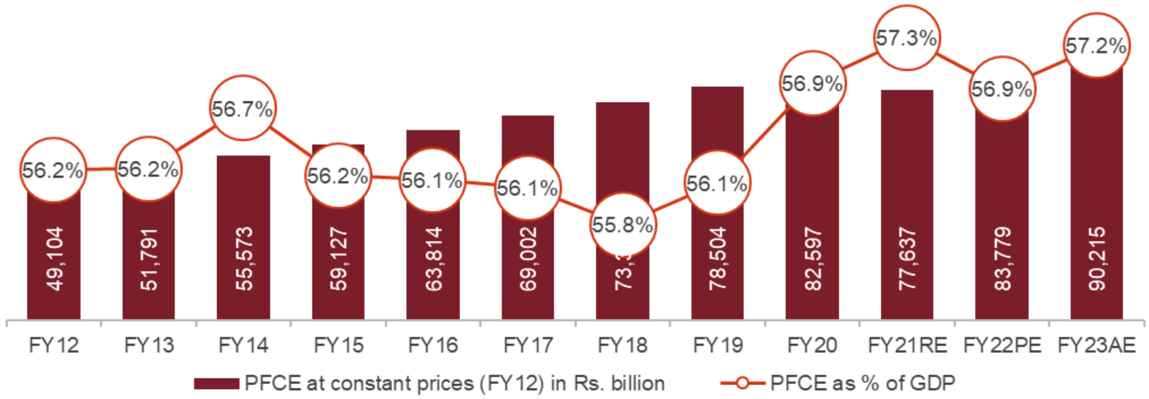
Global GDP per capita clocked a CAGR of 2.2% between CY 2012 and 2022, as per the IMF data. Meanwhile, India's corresponding figure registered a CAGR of 5.5% at current prices.

Per capita GDP at current prices

	2012	2019	2020	2021	2022	CAGR 2012-2022
India per-capita GDP at current prices ($)	1,440	2,070	1,930	2,280	2,470	5.5%
World per-capita GDP at current prices ($)	10,740	11,560	11,160	12620	13,400	2.2%

Source: IMF, World Bank data, CRISIL MI&A

PFCE to maintain dominant share in India's GDP



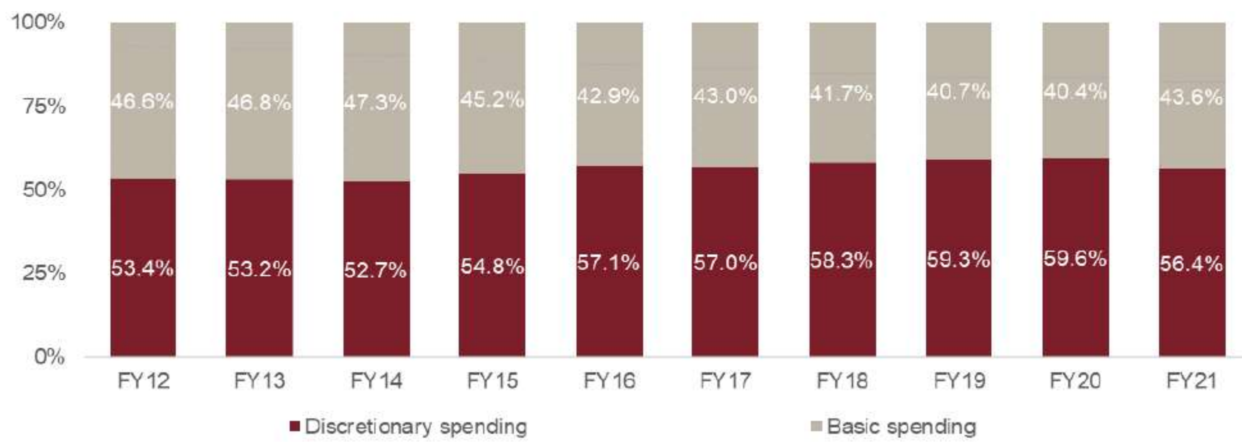
Note: RE: Revised estimates, AE: Advance estimates
Source: MoSPI, CRISIL MI&A

Private Final Consumption Expenditure (PFCE) at constant prices clocked 5.5% CAGR between fiscals 2012 and 2022, maintaining its dominant share in the GDP pie at ~57% or Rs 83,779 billion. Factors contributing to growth included good monsoons, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates and low inflation. However, it declined in fiscal 2021 to Rs 77,637 billion on account of the pandemic, when consumption demand was impacted on account of strict lockdowns, employment loss, limited discretionary spending and disruption in demand-supply dynamics. In fiscal 2022, it increased 7.9% to Rs 83,779 billion, forming 56.9% of GDP as some of the restrictions were eased and economic activities resumed.

Consumption expenditure to be driven by discretionary items

The share of basic items increased in fiscal 2021 to 43.6% as pandemic decreased the expenditure on discretionary items. Basic items accounted for 40.4% of the total consumption expenditure of Indians in fiscal 2020, with discretionary items accounting for the remainder 59.6%. It is worth noting that the share of discretionary items in consumption increased to 59.6% in fiscal 2020 from 53.4% in fiscal 2012. The increased spending on discretionary items suggests rising disposable income of households.

Broad split of PFCE consumption into basic and discretionary spending



Note: Basic items include food, clothing, and housing. Discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel, and gas, furnishing and household equipment, vehicle, and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified (n.e.c.)

Source: MoSPI, CRISIL MI&A

India's discretionary spending is lower than that of advanced economies such as the US and the UK and is expected to grow with a rise in per capita income. In CY 2012, discretionary items formed ~75% share of spending for both the US and the UK, compared with ~53% for India in FY 2013. The share increased to ~76% for the US, 77% for the UK in CY 2017 and 58.3% for India in FY 2018, and stood at 70%, 71% in CY 2020 for US and UK respectively and 56.4% for India in FY 2021. With the Indian economy advancing and household disposable income rising, the share of discretionary spending is expected to increase and drive growth in overall consumption expenditure.

India's population is projected to log 0.8% CAGR between 2020 and 2030

India's population grew to ~1.2 billion according to Census 2011, at a CAGR of 1.9% during 2001-2011. As of 2010 census, the country had about 246 million households.

According to the United Nation's (UN) World Urbanization Prospects, 2022 revision, India and China, two of the most populous countries, accounted for nearly 36% of the world's population in 2021. The report projects India's population to increase at a CAGR of 0.8% from 2020 to 2030 to reach 1.5 billion by 2030, making it the world's most populous country, surpassing China (for which the projected population is 1.4 billion).

Urbanisation in India likely to reach 40% by 2030

India's urban population has been rising over the years and is expected to continue with rise in economic growth. From ~31% of the total population in 2010, it is projected to rise to nearly 40% by 2030, according to a UN report on urbanisation.

India's urban vs rural population

People from rural areas move to cities for better job opportunities, education, and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the other members continue to live in their rural home.

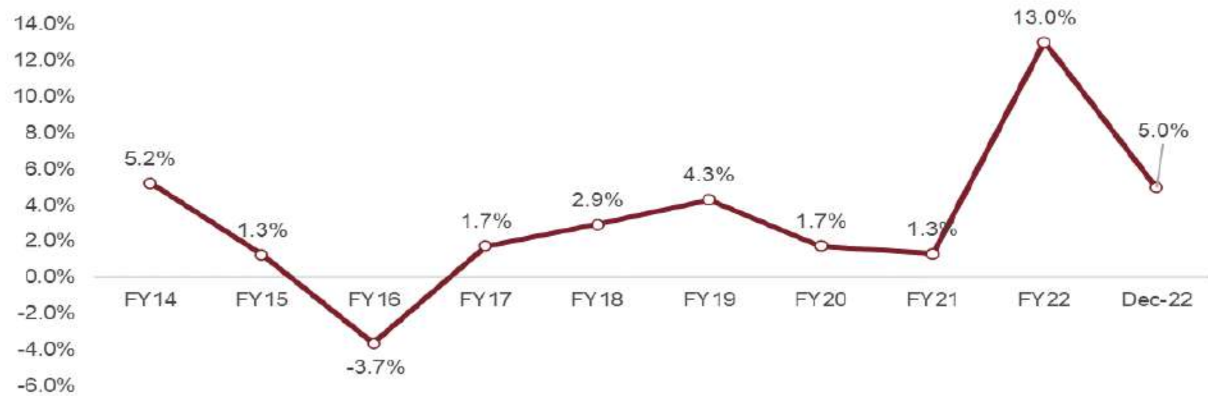
WPI softening but food inflation sustains with no respite

Wholesale Price Index (WPI) inflation has continued to soften in January 2023, decelerating slightly to 4.73% on-year from 4.95% in December 2022, and 6.10% in November 2022. The slowdown in WPI inflation over the past two months was in part because of a waning base effect.

Within the WPI universe, food WPI prices, though, increased 2.9% on-year vis-à-vis 0.7% in December on account of rise in prices of cereals (15.5% on-year), with barley and jowar having the most impact on the print. Prices of milk also increased 9.0% on-year vs. 7.0% in December. Further rise in food inflation was arrested by a sharp 26.5% on-year fall in vegetable prices; although the deflation momentum decreased (prices fell by a sharper 36% in December).

While food WPI inflation accelerated, the softening in headline WPI was because of slowing pace of inflation in crude petroleum (23.8% vs. 39.7%) and mineral oils (17.9% vs. 22.7%). Slowing of the inflation trajectory in manufactured products, led by 2.1% deflation in manufacture of textiles, also contributed to the softening in WPI inflation.

India's annual WPI trend



Source: Ministry of Commerce and Industry, CSO, and CRISIL

CPI inflation to rise to 6.8% in FY23 compared to 5.5% in FY22

- CPI inflation rose to 6.52% from 5.72% in December 2022, and 6% print of January 2022
- Food and beverage inflation jumped the most: to 6.2% from 4.6% previous month
- Fuel inflation moderated slightly to 10.8% from a downwardly revised 10.9% of December.

Consumer Price Index (CPI) inflation jumped sharply in January 2023 to 6.52% on-year (from 5.72% in December 2022). The acceleration was driven largely by a rise in food (cereals, protein-based items) and core (personal care and effects) inflation. Both momentum (from on-month price increases) and some low-base effect contributed to pulling up the headline inflation, overwhelming the effect of deflation in vegetables. In fact, excluding vegetables, CPI inflation would have jumped to 7.7% in January 2023 (compared to 7.2% in December 2022).

The January 2023 CPI print highlights that pressures on headline inflation from food and core items continue, warranting caution. We had highlighted last month that the December and November CPI numbers, which had printed below expectations, could be considered as idiosyncratic. If the CPI print for remaining months of Q4 remains at the elevated January 2023 levels, average annual CPI inflation could print at 6.7% in fiscal 2023 (above the RBI's revised forecast of 6.5%).

That said, going ahead, food inflation outlook is expected to improve: from both a robust rabi harvest (providing relief for wheat and pulses prices) and improved procurement. Fuel inflation inching down (albeit, only gradually) is providing some comfort: though the trajectory of international crude oil prices remains a monitorable amid persistent geopolitical tensions and re-opening effect from China.

Taking all factors into account, we maintain our fiscal 2023 CPI inflation forecast of 6.8%. Next fiscal, inflation is expected to trend down to 5%, led by a combination of factors: base effect, lower food inflation as cereals' supplies shore up, lower international commodity prices, and impact of monetary policy actions (rate hikes and liquidity withdrawal) on core inflation.

CRISIL expects the CPI inflation forecast for fiscal 2023 up to 6.3% from 5.5% earlier as a) food inflation will be driven by the rising costs of production, surging international crop prices b) Fuel inflation to remain high as crude price is expected to remain elevated due to geopolitical tension, weakening of Indian rupee will add to the imported cost of crude and commodities.

Trend in average annual CPI inflation

Note: E: Estimated; P: Projected by CRISIL MI&A
Source: Ministry of Commerce and Industry, CSO, and CRISIL MI&A.

Review of industrial production (polymer-based industries)

Economic activity in fiscal 2022, as represented by the Index of Industrial Production (IIP), bounced back by 12% as compared to the previous year.

Petroleum and petrochemicals industry have contributed strongly to growth in industrial production

IIP for the petrochemicals and chemicals segment saw a rise of 9.0% and 4.3% in fiscal 2022. IIP for the segment has been strong and growing robustly over the last few years as seen in the graph, as the index grew from 109 in fiscal 2015 to 121 in fiscal 2022. This is supported by the capacity expansion carried out by players during the period.

Manufacturing PMI

The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index® (PMI®) posted 55.4 in January 2023. This highlighted a nineteenth successive monthly improvement in operating conditions. Despite falling from December's recent high of 57.8, the headline figure remained above its long-run average. January 2023 data has shown incremental improvement in the health of the manufacturing industry in India. The industry witnessed a string inflow of business at the beginning of 2023. The domestic market was the main source of new business growth as international sales rose only slightly in January 2023. To adjust for rising new orders, firms bought additional materials for use in production. Employment levels were left broadly unchanged as capacities were reportedly adequate for current requirements. Input prices of chemical, electronic component, energy, metal and packaging were reported to be higher. Manufacturers reportedly lifted their selling prices in January, owing to the passing of higher input, transportation and staff cost through to clients.

Polymer capacity addition strong since fiscal 2016

India's polymer production is dominated by 5-6 large players such as Reliance industries, ONGC petro additions limited (OPAL), IOCL, BPCL, HPCL and GAIL. Larger players have added capacities for ethylene and polyethylene polymers in the recent few years due to growing demand from end-user segments such as packaging, polymer pipes (HDPE) and growth in biaxially-oriented polypropylene (BOPP) applications. Polyethylene capacity grew at 6.7% between fiscal 2012 and fiscal 2022 while that of Polypropylene grew at 4.8% during the same time. The government of India had laid out a goal in fiscal 2015-2016 to double the refining capacity of India by 2030. Thus, capacities have seen a rise in petrochemicals segments over the last few years which has aided import dependencies in this segment and catered to the end-user segment growth.

Trend in capacity addition of major polymers

Polymer capacity	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	CAGR FY 12-22
Refining capacity in India (MMT)	213	215	215	215	230	234	248	249	250	250	252	1.7%
Monomer - Ethylene	3,856	3,856	3,856	4,306	4,526	7,126	7,126	7,326	7,526	7,526	7,526	6.9%
Polyethylene (PE)	2,955	2,955	2,955	3,355	3,575	4,635	5,585	5,605	5,655	5,655	5,655	6.7%
Polypropylene (PP)	3,651	4,131	4,131	4,131	4,631	4,971	5,106	5,786	5,856	5,856	5,856	4.8%
Poly-vinyl Chloride (PVC)	1,335	1,347	1,347	1,523	1,523	1,583	1,523	1,568	1,580	1,580	1,580	1.7%

India's refinery capacities to log 3-4% CAGR in five years

The refining sector is projected to see investments of Rs.1.3-1.8 trillion over the next 4-5 years. As of FY22, the refining capacity of India is 252 MMT per annum. Refineries are undertaking capital expenditure to expand capacities or set up greenfield refineries. Over fiscals 2022 to 2027, 70-75 million tonne (MT) of refining capacities are expected to be commissioned. Consequently, between fiscals 2022 and 2027, CRISIL expects domestic refinery capacity additions to log 4-5% CAGR. Of the overall capacity additions, Indian Oil Corporation Ltd, Bharat Petroleum Corporation Ltd, and Hindustan Petroleum Corporation Ltd are expected to account for over 60% share.

Overview of packaging industry in India

Overall packaging industry in India is projected to be Rs. 2,150 - 2,200 billion for fiscal 2023

The polymer packaging industry contributes substantially to the GDP growth in India and at the same time support the consumer-led industries such as FMCG and pharma, key sectors for growth in India, with reliable of packaging solutions.

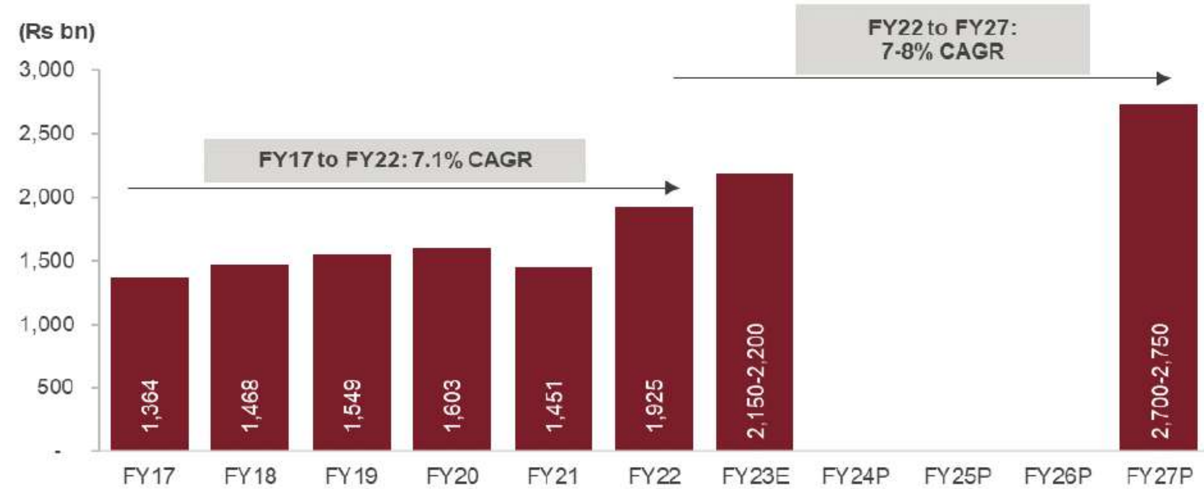
Packaging industry to grow moderately in medium term

CRISIL projects the Indian packaging industry's market size at Rs 2,150-2,200 billion in fiscal 2023, growing at CAGR ~7% from fiscal 2017-22. Polymer packaging, which form nearly 60-65% of the industry by revenue, grew ~6% during the period FY17-22. The paper packaging segment also witnessed a strong ~12% CAGR revenue growth. On the other hand, metal and glass packaging witnessed a ~3% and ~8% growth, respectively during fiscal 2017-2022. Demand for packaging segments comes from food packaging and pharma segments.

Growth in consumer segments to drive packaging industry

Over fiscals 2022-2027 we expect the industry to log 7-8% CAGR on the back of healthy volume growth driven by polymer, paper and metals packaging segments. The pharmaceutical, industry chemical, food product, and personal care sectors are expected to be the key growth drivers. Fast-moving consumer goods (FMCG) companies' increasing focus on innovative packaging solutions that offer scope for enhanced aesthetic value and extended shelf life will also propel demand.

Packaging industry growth

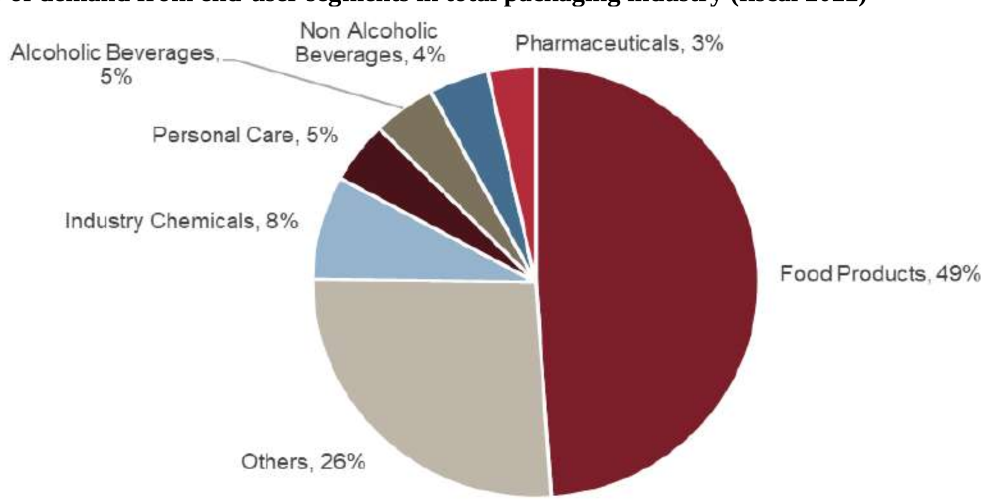


E: Estimated; P: Projected
Source: CRISIL MI&A

Polymers form more than half of packaging material

Polymers have emerged as the most preferred packaging material with 60-65% share in overall packaging. The segment has clocked ~6% CAGR between fiscal 2017-2022, following paper packaging, which saw higher ~12% CAGR. Metal packaging witnessed ~8% CAGR during the period and glass ~3% CAGR.
In terms of end-user industries, the pharma and food product segments witnessed a strong ~12% and ~7% CAGR during the period of fiscal 2017-2022, driving demand for packaging. The personal care (~3% CAGR) and industry chemical segments ~4% CAGR also supported the overall industry demand. Traditionally, robust growth in demand for FMCG products has been the key driver for the packaging sector. FMCG companies' focus on rural markets has boosted demand for polymer packaging, especially for pouches and sachets.

Break-up of demand from end-user segments in total packaging industry (fiscal 2022)

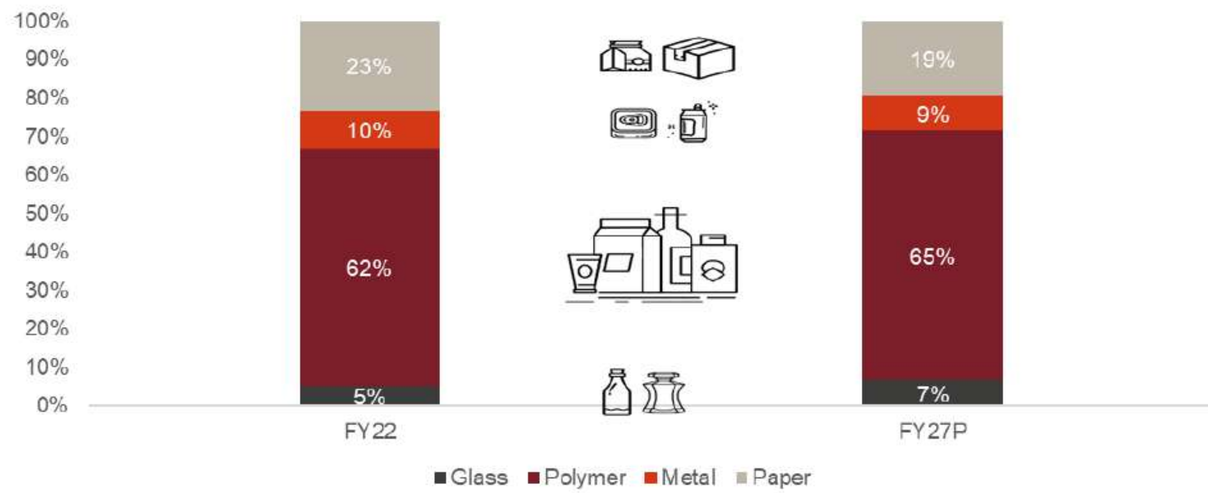


Source: CRISIL MI&A

Polymers to continue to dominate the packaging market

Polymers dominate the packaging market with a 62% share, followed by paper (23%). HDPE (used in jars, packs, and containers), BOPP packs, PET bottles, and PP bags are the key materials used in polymer packaging. Historically, polymers have been substituting metal and glass packaging owing to favourable properties such as light weight, low cost, corrosion resistance, and versatility of use. Polymer is also used along with other materials such as paper in the form of barrier coating to enhance packaging quality. PET, a form of polymer packaging, has been increasingly replacing glass to package products with shorter shelf life. Similarly, HDPE containers are used instead of metal containers to package goods in large quantities.

Polymers dominate packaging



Source: CRISIL MI&A

Awareness about the adverse impact of plastics on the environment and push from state governments to reduce its usage have started impacting demand for polymer packaging. However, it is limited to a few segments, as plastic packaging is irreplaceable in some segments, such as food, owing to the cost factor and perishable nature of the products packaged.

Polymer dominates revenue share of the overall packaging industry

Over fiscals 2022-2027, we expect share (%) for polymers projected to a see a growth in share to 65% from 62%. The share of metal packaging is expected slightly decline from 10% to 9%, owing to increasing innovation in flexible and sustainable polymer-based packaging solutions. In the pharma industry, aluminium foil is expected to used primarily for strips, blisters, and pilfer-proof caps while polymer or laminated packaging will be preferred against aluminium. Moreover, aluminium foil has special properties such as protection from light, moisture, oxygen, odour, and, most importantly, bacteria, which are is why aluminium is still used in aluminium-based laminates (ABL), but the intensity is low. These features make aluminium almost irreplaceable. For paper packaging segment we expect the share to decrease in value terms as the industry will see capacity shifting from writing and printing segment to industrial packaging. This shift will introduce higher supply, lowering the realisation in value terms. The volume growth will be supported by composite packaging and rise in demand for sustainable packaging solutions. Polymer is expected to see a marginal shift to paper packaging (mainly in the non-alcoholic beverages segment where tetra packs are preferred). Moreover, consumers are inclining towards paper packaging since it is more eco-friendly and easily recyclable. In case of glass, PET bottles have already replaced glass bottles in the non-alcoholic beverages segment, especially for bulk volume packaging. However, we do not expect much substitution of glass in the smaller volume segment (200 ml and 300 ml bottles). Further, in the alcoholic beverages segment, glass is expected to remain the primary packaging material, resulting in slight increase in share over the medium term from 5% to 7%.

Increase in preference for flexible packaging in polymer segment

Flexible packaging comprises BOPP, HDPE, and PP bags and rigid packaging includes HDPE containers, PP containers and jars, and PET bottles. There has been a significant shift in preference from rigid to flexible packaging owing to convenience of use and lower cost. Introduction of new solutions such as laminated pouches and sachets has helped increase the share of flexible packaging over time.

Over the next three fiscals, the rigid packaging segment's revenue is expected to log higher growth rate that of flexible packaging, largely backed by volume growth and demand from food products and FMCG sectors. Growth in flexible packaging is expected to be slightly higher than rigid packaging, driven by increased use of BOPP in the form of pouches and sachets to package food products, personal care products, etc.

Key growth drivers for packaging industry

1. Growth prospects of end-user sectors

Growth prospects of end-use sectors such as beverages (alcoholic and non-alcoholic), FMCG, pharmaceuticals and industrial products augur well for packaging companies, given the potential growth in demand for glass, aluminium, HDPE and PET, carton boards, etc.

2. Increasing rural demand for small packaged goods

To attract rural consumers, FMCG companies market their products, largely food and personal care products, in small packets. As a result, ready-to-eat foods, biscuits, shampoo and other categories have witnessed growing demand from rural areas and smaller cities, which has further driven up demand for packaging materials. FMCG companies such as Hindustan Unilever have initiated projects such as Telecalling and Columbus to increase penetration in the rural markets. This is expected to boost demand for packaging.

3. Expected growth in organised retail and e-commerce industry

While the overall retail segment is projected to clock 11-12% CAGR over fiscals 2023-2027, organised retail is expected to log a faster CAGR of 17-19%. Consequently, increased urbanisation and growth of the organised retail segment are expected to boost demand for packaging. E-commerce is driving retail and also lifting demand for logistics and packaging. It has a substantial impact on flexible packaging too.

4. Better affordability levels, health-conscious nature of consumers

Over the past few years, per capita disposable income of Indian consumers has grown at a healthy rate, improving their affordability. Consumers are also becoming more health conscious. As a result, they increasingly prefer packaged and branded food and non-food items over unpacked, non-branded ones. This is also increasing the demand for packaging.

5. Growing population of working women, changing lifestyle a key factor

Population of working women in India has risen steadily of late. As women enter the workforce, they find lesser time for household chores such as cooking. This has increased demand for ready-to-eat food items. Also, launch of items such as pasta, soups, and noodles, which are easier to cook, are fuelling demand for polymer packaging. These products are usually packed in HDPE or BOPP packs.

6. Demand for innovative product solutions and sustainable packaging

FMCG companies are increasingly focussing on innovative packaging, which enhances the aesthetic value of products and also helps extend their shelf life. In addition, players are launching new applications, value-added packaging, developing new designs and using colours and graphics to attract consumers. Apart from design players are also looking at sustainable and environment friendly packaging solutions for their products. All these factors will help packaging industry to offer value added products and improve their realizations.

Laminated tube packaging industry in India

Packaging plays an important role in marketing and selling of a product. The function of packaging has undergone a drastic change in the recent years. Packaging today defines the final saleability of a product. Packaging industry can be categorised into three based on: *a)* the nature of packaging; *b)* the type of materials used; and *c)* the function or layer of packaging.

Nature of packaging

The packaging industry can be broadly classified as:
- Rigid packaging
- Flexible packaging

Rigid packaging involves use of glass, tin, aluminium sheet, plastic (polyethylene terephthalate, or PET, bottles and high-density polyethylene, or HDPE, containers) and paper (corrugated boxes and carton board). Flexible packaging involves the use of lightweight, durable and flexible materials such as plastic films (biaxially oriented polypropylene (BOPP) packs, polypropylene (PP) bags and HDPE packs) and aluminium foils.

Materials used for packaging

Based on the materials used for packaging, the industry can be categorised as:
- Glass packaging
- Metal packaging
- Polymer packaging

Classification of packaging industry based on materials used

Packaging material used	Type of packaging	
	Flexible packaging	Rigid packaging
Glass		Bottles, vials
Metal	Aluminium foils	Tin cans, steel drums, pilfer proof caps, aerosol containers, aluminium containers
Polymer	BOPP bags, PP bags, HDPE, low density polyethylene or LDPE, linear low-density polyethylene or LLDPE bags, laminated tubes	PET bottles, HDPE containers
Paper		Corrugated boxes, carton board

Source: CRISIL MI&A

Function of packaging

The packaging industry can also be classified based on the function or layer:
- Primary packaging
- Secondary packaging
- Tertiary packaging

The table below explains the three categories:

Primary	Secondary	Tertiary
First layer of packaging uses PET bottles, cans, PP bags, tubes, containers, etc	Second layer of packaging is to assemble the individual units of prodcut. Examples are corrugated boxes, PP HDPE bags, etc	Third layer of packaging is to assemble boxes and barrels for transportations (examples are pallets, PP films for wraping, etc) and transporting of bulk industrial prodcuts (examples are steel drums, IBCs, barrels etc)

- The primary packaging is the first layer in which a product is packed. This layer comes into direct contact with the product. It is primarily used in packaging of food products such as ready-to-eat foods, chocolates, snacks etc, where paper or aluminium foil is laminated or metalised for use in packaging.

- The secondary packaging is the outer layer of primary packaging. Apart from protecting the products, it also acts as a mode of marketing and branding. Examples of secondary packaging are carton board boxes used in packing food products, personal care products, and pharmaceutical products such as creams, ointments etc.

- The tertiary packaging is used for bulk packaging, commonly used for storing and transporting products, such as industrial chemicals, consumer durables, fruits, and vegetables etc. Examples of tertiary packaging are corrugated boxes, steel drums, HDPE barrels and containers etc.

Type of packaging based on product category in consumer industry

Product	Sector	Rigid packaging			Flexible packaging		
		Glass bottles / containers	Plastic broad mouth containers – jars, tubs	Polymer cylinder slender containers / bottles	Flexible pouches	Flexible laminate tubes	Aluminium tubes
Creams, gels - Semi-solid content (sunscreen, lotions moisturiser, shaving cream, ointment, etc)	Cosmetics	✓	✓			✓	✓ (pharma)
Toothpaste	Oral care					✓	
Toiletries – face wash, shampoo, conditioner	Cosmetics		✓	✓ (with pump)	✓ (Sachet, mini pack)	✓	
Hygiene product and refills packs – liquid detergent and soap, hand wash,	Hygiene			✓	✓		
Hand sanitiser - gel	Hygiene			✓		✓	
Semi-solid food products – tomato sauce, dips and sauces, honey, masala paste, jam, liquid cheese etc	Food	✓	✓	✓		✓	
Food: snacks and biscuits					✓		
Grease, paint colour additive, adhesive, etc	B2C product			✓		✓	✓
Powder (Dry)	Cosmetics Pharma			✓			

Product	Sector	Rigid packaging			Flexible packaging		
		Glass bottles / containers	Plastic broad mouth containers – jars, tubs	Polymer cylinder slender containers / bottles	Flexible pouches	Flexible laminate tubes	Aluminium tubes
Hair colorant products						✓	✓
Small SKU products B2C and hospitality				✓	✓	✓	

Flexible laminates to clock 9.5-10.5% CAGR between fiscals 2022 and 2027

Flexible laminates constitute 60-65% share in the total flexible polymer packaging space, followed by mono-layer films used in secondary and tertiary packaging, tube laminates, labels and wrappers.

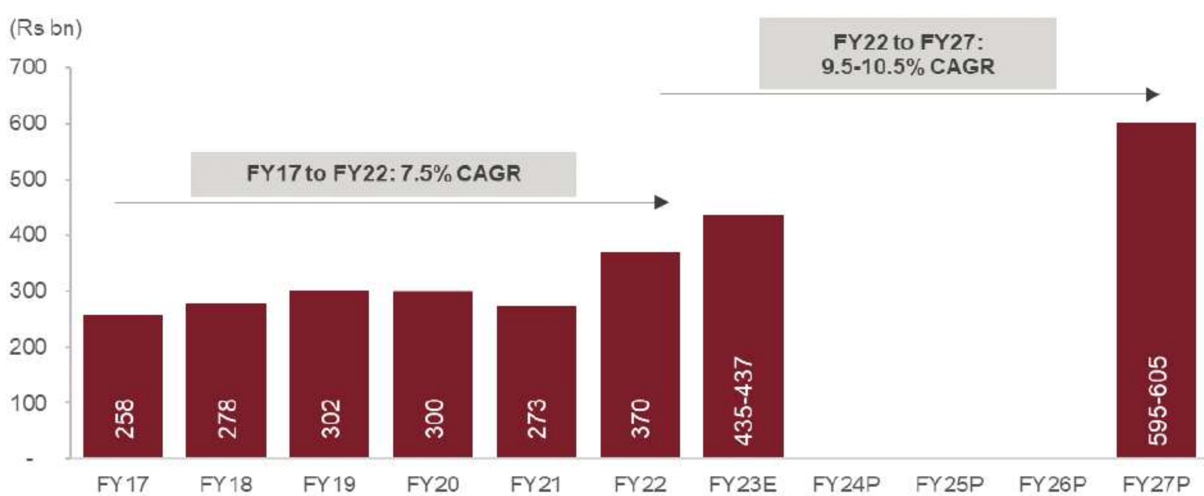
Flexible laminates offer good strength and barrier properties, grease resistance, heat-seal property and attractive designing feature in contrast to mono-layer flexibles and plastic rigid packaging. Flexible packaging is particularly cost effective and environmentally positive because of its light weight. Perfect for dry and liquid applications, flexible packaging laminates create a layer of insulation that protects the packaged products. Various types of packaging materials are used to formulate the laminate structure including PE, polyester, nylon and film foil laminations.

Flexible laminates are used for FMCG pouches and specialised applications such as pharma sachets, pouches, personal care products sachets, etc. With increase in smaller SKU demand in rural India, flexible laminates used for sachet and pouches are expected to see phenomenal growth. Flexible laminates contribute to around 60-65% share in the total flexible polymer packaging space. The rest is contributed by mono-layer films used on secondary and tertiary packaging, tube laminates, labels and wrappers, etc.

The flexible laminates segment clocked 7.5% CAGR over fiscals 2017-2022, Growth in the segment was driven by strong demand for such packaging in the food and FMCG segments, increase in for specialised pouches and sachets in the pharma and personal care segments, and increase in smaller SKUs and trial packs.

CRISIL estimates the industry to register 9.5-10.5% CAGR, up from Rs 370 billion in fiscal 2022 to Rs 595-605 billion in fiscal 2027, driven by volume increase in end-use segments. The FMCG industry represents the largest opportunity for flexible packaging. Sub-segments such as food and beverages, and personal care are the major end-users of flexible packaging in India. With growth of this market, demand for flexible packaging is expected to increase. The following trends will likely support growth of flexible packaging going ahead:

Flexible laminates industry in India



E: Estimated; P: Projected

Source: CRISIL MI&A

- Growth in the FMCG industry and increase in consumption basket size of Indian consumers
- Demand for small packets/ pouches for smaller SKUs
- Growth in laminated tubes and bags in boxes; laminated tubes are being increasingly sought after by FMCG brands compared to plastic and aluminum tubes. laminated tubes are mainly used for pastes and ointments, and bags in boxes for moisture-absorbing products such as tea and coffee
- Tube as a packaging format is being increasingly preferred for products in paste/ gel/ cream and even viscous liquid form due to ease of dispensing, convenience, resource reduction, capability for branding and decoration
- Ease of printing has made flexible packaging a tool for branding and display of retail goods
- A range of colour options in plastics has made package designing easier
- Increase in demand for sustainable and environment friendly packaging
- Consumer preference for the use of convenient packaging and packaged products in affordable quantities in versatile laminates
- Export potential with demand from emerging markets and diversifying potential in global supply chain. USA and select European countries are major contributor to the trade in industry and China has relatively moderate share

Laminated tubes are a niche offering in the flexible packaging space

Typical packaging options for semi-solid or cream-based product includes rigid containers, aluminium tubes, laminated (ABL and PBL tubes). Industry is increasingly moving towards flexible tube packaging than rigid containers for various benefits offered by flexible packaging option. Laminated tubes find application across various product categories. Oral care, beauty care and pharmaceutical are the key end-use segments for tube products. Oral care category contributes to 30-40% of volume share in laminated tubes as of fiscal 2022.

Application of tubes

Sectors	Applications
Oral care	Toothpaste
Beauty care	Cosmetics cream, face wash, hand sanitiser, body lotion, conditioner (hare care), hair colourants
Pharmaceutical: skin care	OTC creams, prescription ointments
Food	Sauces, dips, bread spread, curry pastes, honey, liquid jiggery
Other: Home care / industrial	Adhesives, sealants, grease, paint colour, etc.

Source: CRISIL MI&A

Tubes, as a packaging option, are being increasingly preferred for pastes, gels, creams and even viscous liquid forms for benefits such as ease of dispensing, convenience, resource reduction, branding capability, and designing and decoration. Laminated tubes offer products a competitive edge in the market and are used across the globe for packaging in personal care, food, pharma and industrial applications. The oral care industry is the largest consumer of laminated tubes, while an increasing number of tubes are being used in the cosmetics and pharma sectors that are gaining share in laminated tube consumption.

Benefits of flexible tube packaging over rigid packaging

	Tube packaging	Rigid containers
Shape and size versatility	Yes. Collapsible tubes, round, oval tubes of various diameters.	Yes. Various shapes and forms are possible.
Choice of dispensing (caps and closure types)	Various type of closure to suit application form	Limited options: pumps or lids

	Tube packaging	Rigid containers
Handling of packaging during filling process	Handling is minimum and quick, as tubes are pre-fitted with closures and are sealed automatically on the machine increasing efficiency. No separate handling of closure accessories	Lids can be separately handled and fitted after product is filled in the container. This process increases handling and operation time
Logistics and procurement	Single-source and single unit supply advantage	Labels, caps, lids, containers are source separately
Product exposure and contamination during usage by customer	None, touch free application	High
Barrier properties and shelf life	Increase shelf life of product due to low contamination, use of various laminated to offer improved protection different barrier properties (Aluminium foil-based tubes)	Use of preservatives is high due to contamination risk and direct exposure to environment
Special effects by printing and print innovation: graphics, quality, profiled edge	Various possibilities of printing and graphics on account of laminate sheets. 80-90% of tube can be used for printing	Highly dependent on label printing

Laminated tubes offer combined properties for aluminium and plastic tubes

Laminate tubes are a hybrid of aluminium tubes and plastic tubes. They efficiently protect contents thanks to many overlaid layers, one of which is the barrier layer. Both longitudinal edges of the laminate tube are welded together and constitute the body which is then sealed to the tube shoulder. Depending on the product and its content, barrier layers are made of aluminium or ethyl vinyl alcohol (EVOH) plastic.

The multilayer laminated tubes (lami-tube) made from laminates with aluminium foil barrier combine the excellent barrier advantages of traditional metal tubes and the attractive visual and tactile feel of the plastic tubes. Such tubes are not only used for toothpaste applications, but also for cosmetics, food, pharmaceutical and household and industrial applications.

- Laminate is a product made by bonding together two or more materials, whether plastic or aluminium foil
- Laminates assemble materials with individually desirable properties to create an optimum combination
- Aluminium foil possesses the best barrier properties and preserves products from light, oxygen and moisture

Laminated tubes are made of plastic with the barrier layer being made of EVOH plastic granules. EVOH is primarily used in applications where the packaging needs to look extra attractive, especially cosmetic products. Laminated tubes made of all plastic layers can be completely transparent and make the final product packed inside the tube visible to the customers. Distinction between laminated tube and plastic tube packaging is blurring with plastics based laminated tubes due to introduction of EVOH tubes.

Laminated tubes logged 6.2% CAGR over fiscals 2017-2022, led by non-oral category shifting to laminated tubes

Laminated tubes are used in oral care for toothpastes; in cosmetics for face wash, creams, hairs colourants, etc; and in pharma for cream-based products. These are used in the food segment as well for select semi-solid products such as sauces and dips, albeit limited. On account of increase in demand for laminated tubes due to better packaging and design features, volumes have jumped. The industry recorded 6.2% CAGR between fiscals 2017 and 2022, driven by growth in end-user sectors and shift to lami-tubes from conventional aluminium-based and mono-layer plastic tubes. Laminate tubes are gradually replacing plastic and aluminium packaging tubes as the preferred packaging on account of providing better functionality and product safety.

Growth was supported by the following trends:

- In the cosmetics segment, shift from rigid packaging solutions such as PET bottles to flexible extruded tube

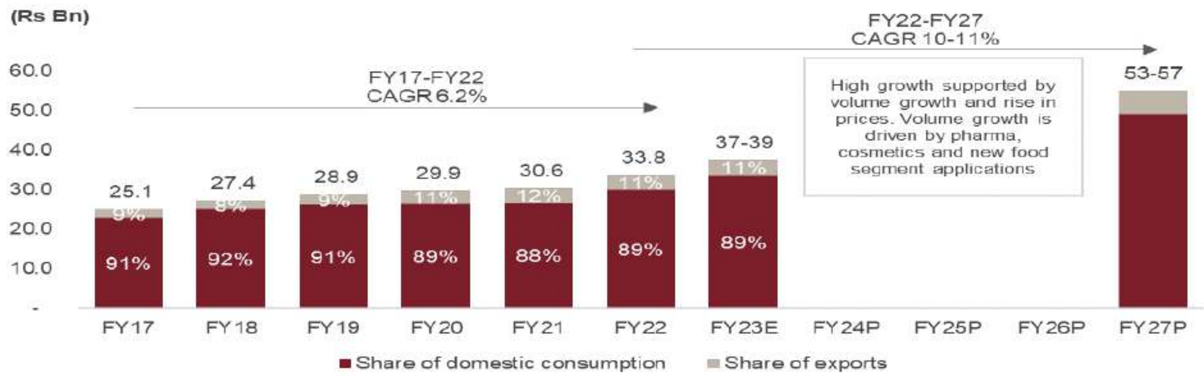
packaging
- Increase in the usage of ABL tubes in pharma application and over the counter (OTC) creams
- Growth in higher value products in the personal care category (non-oral) due to increase in usage of beauty/ cosmetics and pharma OTC creams
- Increase in cosmetics penetration and sales of lip care, eye care, hand creams, face care and OTC ointments/ gels and prescription-based skin application medicine, which are key users of tubes
- New products like sanitizers and henna were launched in laminated tubes

Exports contribute ~10-11% of the industry turnover as of fiscal 2022-23

Exports for tube industry has grown at par with the domestic consumption growth. India largely caters to near-by nations and European, middle East and African markets for exports. Export over long distance is not a viable option for the tube industry. End-use industry prefers procurement of packaging material from near-by regions as logistics cost doesn't make economic sense and customers may end up with logistics cost equivalent to the packaging product cost. Also given tube packaging occupies substantial volume in cylindrical format and product shape may suffer damage, client prefer export of tube laminates over laminated tubes. Tube laminates are exported as rolls of sheets. Thus, packaging industry largely exports intermediates products such as laminates sheet than end products.

Many global groups and players with presence across various geographies such as Essel Propack, Alltub, Abdos and others general cater to the respective markets through domestic units than exports. Going ahead exports share is expected to remain strong supported by growth in end-use sectors in south Asian and African continent and select European regions. Diversification of supply chain to procure from different regions will support growth of exports.

Domestic industry size



E: Estimated; P: Projected
Source: CRISIL MI&A

Laminated tubes are estimated to clock 10-11% CAGR over fiscals 2022-2027, led by volume growth in personal care categories – pharma, cosmetics and new food segment

The industry is expected to grow faster going ahead driven by rapid growth in consumption of personal care products – pharma, cosmetics and new food segment. Laminated tubes are expected to clock a CAGR of 10-11% over fiscals 2022-2027, driven by increase in volume sales of personal care categories and higher penetration in the India metro and non-metro markets, increase in value addition and design aspects of tubes for attractive marketing, and moderate increase in raw material prices. The change in mix towards high value tube offerings in personal care and beauty category will drive value growth for the industry. Over the next five years, extruded mono-layer and aluminium tubes are also likely to be substituted by laminate tubes, especially in the skin care and pharma/healthcare segments. The key growth trends expected to drive sales and realisations of tube manufacturers are as follows:

- Continued shift to ABL tubes in the pharma segment for OTC ointments/ gels and prescription cream-based skin application medicine
- Growth in end-user segments and rise in share of personal care categories in tubes, driven by sales of lip care, eye care, hand creams, face care and OTC ointments/ gels and prescription cream-based skin application medicine

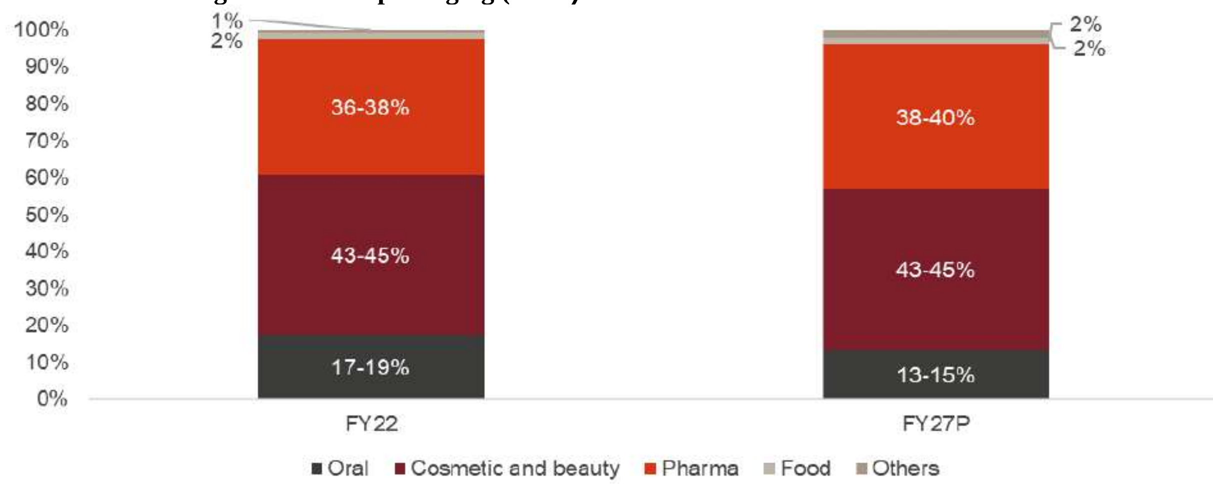
- Growing concerns over package sustainability and costs are also likely to facilitate substitution of bottles by tubes in personal care products
- Increase in exports potential and consumption in the European, Middle East and Africa markets. Middle east and African markets have low penetration of production facilities which creates potential for exports
- Shift from conventional oral care to beauty and pharmaceutical products, demanding high packaging protection and value addition
- Increase in demand for sophisticated and attractive designs and prints on tubes leading to rise in realisations

Personal care and beauty products to drive growth for lami-tubes

Tubes have been used for products such as face creams, shaving creams, toothpaste since the product inception. Now, various new products are always increasing using tubes as packaging options due to convenience and increased graphic and printing options. New category penetration for tubes include food products, pharmaceutical and skin care creams, hand sanitisers. Innovation in form of various layers that add safety and protection to contents inside have increased penetration of tubes.

Tube find application in oral care, pharma, cosmetics and food industry, with cosmetics and beauty category contributing a major share of the industry. The change in mix towards high value tube offerings in personal care and beauty category will drive value growth for the industry.

Share of end-use segment in tube packaging (value)



P: Projected
Note: other categories include sealants, adhesives, paints, etc.
Source: CRISIL MI&A

Cosmetics and skin care will contribute to drive volume as well as value growth for the industry

Cosmetics and personal care: Cosmetics and personal care contribute to about 43-45% of the tube industry in India. Growth in tube industry will be largely driven from cosmetic industry due to rise in consumption of cosmetic and personal care product in India.

Brand is the key differentiator for players in this category, thus making product graphic and design an important element for marketing and sales. Various developments on graphics and printing technology in tube industry have moved players to tube packaging. Players have opted for more value added and attractive type of packaging to increase sales of their products. The cosmetics and personal category also contribute to industry as high value product offerings due the printing and designing feature. Tubes for cosmetics and personal care category are valued 2.0 to 5.0 times regular non printed tubes.

The cosmetics and skin care industry grew at 6-8% over the last five years. Going forward, we expect revenues of tube packaging from cosmetics segment to grow by about 10-11% per cent CAGR over the medium term. The growth in cosmetics industry penetration is largely supported from volume growth coming mainly from rural areas through increasing penetration and marketing initiatives. The cosmetic and beauty industry is expected to see revenue growth in both volume and value growth, as existing customer move to high value products. The cosmetics segment is expected to witness a growth on the back of higher disposable income, increasing awareness of beauty products and rising emphasis on personal grooming.

Rise in demand of value-added product in term of increased graphics and printing requirement on tube packaging will also drive value growth for the tube packaging industry.

Pharmaceutical segment: The pharmaceutical segment, that is skin care OTC and prescription products is one of the fastest growing segments for the pharmaceutical industry. The dermatology segment is expected to see a lower double-digit growth over the next five years. The overall pharmaceutical formulations are expected to witness a CAGR of 11.5-12.5% up to fiscal 2027 driven by increase in penetration of healthcare facilities, improving insurance coverage, increase in per capita income, ageing and health-conscious population.

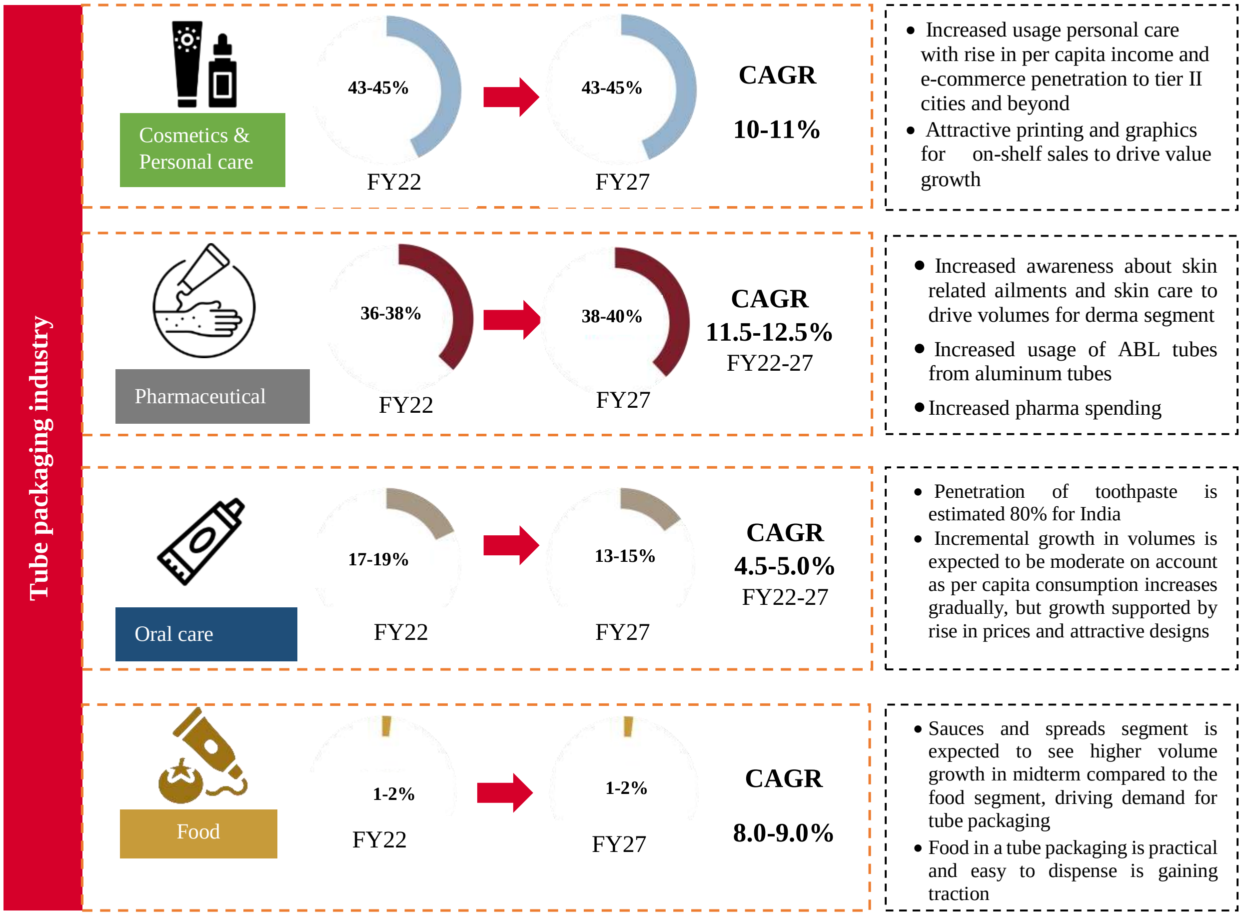
Pharmaceutical segment contributes to 36-38% of tube packaging industry revenue as of fiscal 2022 and is expected to contribute 38-40% share by fiscal 2027. Growth will be driven by rise in volumes due increased penetration and usage of skin care products. Also, the segment has seen shift from aluminium tubes to ABL tubes driven by economic prices of ABL tubes and similar safety, security and sustainability of packaged products offered by ABL tubes. The barrier properties of ABL tubes makes it as effective as aluminium tubes with added benefit of low convenience offered to end-users. ABL tubes retain their original shape and size unlike aluminium tubes making it easier for end-users to use the product at the end of life as well.

Pharmaceutical products need to confirm to various standards and safety of product and thus packaging players a crucial role in ensuring safety of the product. Each product may require specialised packaging and barrier properties to ensure safety, longevity and effectiveness of product. Pharma players procure packaging material from pre-approved vendors who offer standard and consistent product with desired quality parameters. Thus select few packaging players cater to the specialised requirement of pharmaceutical industry.

Oral care: Oral care segment which consists of toothpaste have traditionally used laminate and plastic tubes as primary packaging. The segment sees continual and sustainable demand as the product is a basic hygiene commodity product having daily and habitual application by users. Given low penetration of toothpaste in India, the segment is expected to grow gradually driven by volume sales in rural area. Rural consumers are directly shifting to toothpastes instead of gradually shifting from herbal sticks to toothpowders and then to toothpastes. This will drive growth for toothpaste market which is expected to grow at a sustainable pace in the next few years as per capita consumption increases. The growth will be in the range of 4.5-5% driven by volume sales as the segment see gradual improvement in penetration in rural area.

Food segment- Food in a tube packaging is practical and easy to dispense. This segment is gaining traction and is expected to grow at a CAGR of 13-14% by fiscal 2027. Sauces and spread segment are expected to see a slightly higher volume growth in midterm driving the demand for tube packaging.

Growth potential for major end-segments (FY22-FY27)



Source: CRISIL MI&A

Non-oral care categories to support value growth

Non-oral care categories dominated by toiletries, shampoo, skin care and ointments, is product development driven and requires research and development to introduce the right product for effective packaging. Oral care category is akin to commodity product with limited innovation and value addition. Oral care category has highest share in volume terms in the tube industry with share of 30%-40%. Advancement in printing, graphics, look and feel of cosmetics packaging products is essential for client to attract end-users among high competition in the market. The non-oral category tubes sell at premium price as compared to oral category due to various layers of protection and printing and finish of material.

The pharmaceutical category sells at 2.0x – 3.0 times the oral care category products while personal care and cosmetics tubes find 2.0x – 5.0 times the value in the market because of added branding and graphics offered. The non-oral category also enjoys higher margin on account on small order size of single variant, or high variability within a segment leading to small volumes of single SKUs. A short tenure packaging style, and evolving graphics and branding designs increases customisation for tube products and keep price and margins high for the tube manufacturing industry. The shift towards high value products will drive growth of for the laminated tube manufacturing industry.

Segment wise product pricing

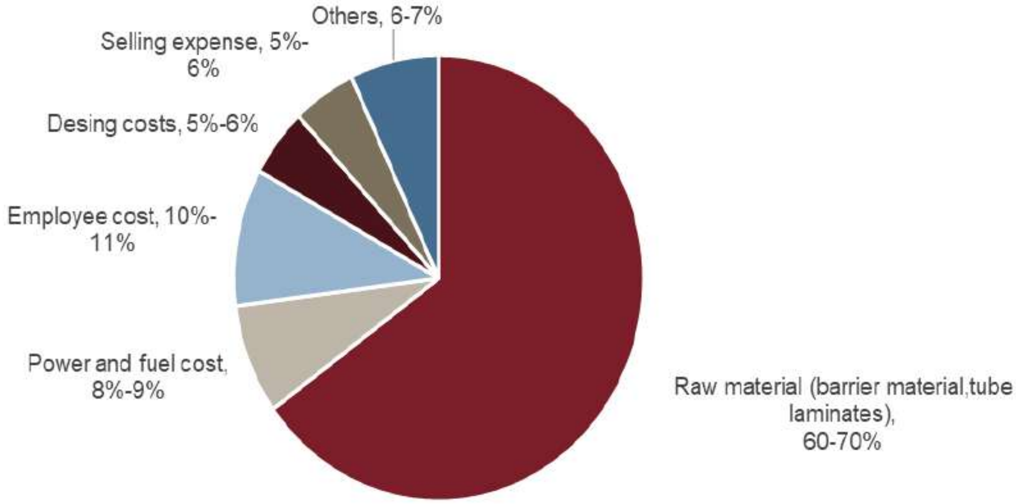
Segments	Price range
Oral care	1.0x
Pharmaceutical	2.0x - 3.0x

Segments	Price range
Personal care and cosmetics	2.0x - 5.0x

Source: CRISIL MI&A

Raw material forms large share of tubes cost structure

Raw material such as various barrier materials, laminated sheets form the major share in tube cost structure. Raw material accounts for 60-70% of the total cost structure for tubes, while design costs contribute to 5-6% of cost structure for printed tubes. Given the variability in polymer prices back ward integration for manufacturing of tube laminates in-house increase margin potential for players. Hence many large and medium sized players have integrated laminated manufacturing and printing capabilities.



Source: CRISIL MI&A

Growth drivers and trends in laminated tubes packaging

- **Growth in pharmaceuticals and cosmetics to support segment:** Demand for pharmaceutical OTC and cream-based medicines are expected to rise up to fiscal 2027. While the overall pharmaceuticals industry is expected post ~11-12% CAGR till fiscal 2027, the personal care and cosmetics segment is also expected to see an equally healthy growth of 9-10% CAGR, owing to deepening penetration into non-metros, consumers increasingly becoming conscious of skin and face care, and rising discretionary spending as income levels increase. The rise in the dermatology segment will support growth of the domestic tube industry.

- **Shift from aluminium tubes to laminated tubes:** Aluminum tubes are used for packaging ointments, adhesives and sealants, oxygen-sensitive hair products, skincare products, and art paints. However, drawbacks of aluminum tubes as compared with extruded plastic tubes and plastic laminated tubes, such as higher cost and inability to retain the original shape after repeated usage, is seeing slow, but steady, replacing of aluminum tubes. Also, laminate, which is an assembly of materials such as aluminum foil, HDPE layers, etc., creates layer-based required features.

- **Shift from rigid bottles or related packaging to flexible tubes:** Many customers in the pharmaceuticals and cosmetics segments have moved away from rigid packaging in favour of tubes. Even customers in niche segments, such as art supplies and commercial hair products, are moving to tubes. This shift to flexible extruded tube packaging from rigid packaging is also because of the product's superior barrier properties, which increases the product shelf life and ease of use. Low cost is the reason for customers switching to tubes from rigid containers, as well.

  Tube as a packaging format is being increasingly preferred for products in paste/gel/ cream and even viscous liquid form for reasons of ease of dispensing, convenience, resource reduction, capability for branding and decoration. Laminated tubes are being increasingly sought after by FMCG brands compared to plastic and aluminum tubes.

- **Provide sensitive formulas with required protection:** Multi-layered laminate tubes, with barrier layers, provide sensitive formulas with the required protection and flexibility in usage for easy application. Barrier layers in a multi-layered tube structure include EVOH plastic resin or aluminum. Also, the foil polymer tubing eliminates creasing, and provides flexible, rotary or process printing, in addition to the traditional printing methods. This increases the design feature of tubes for brands in their sales and marketing efforts. Lami-tubes offer high aesthetic design, as well as provide metallic effect along with variety of decoration and customisation options.

- **Eco-friendly packaging alternatives:** Manufacturers in the tube industry are introducing recyclable designs, such as Essel Propack's Platina 250 and Green GML 300, Albéa's Greenleaf 2 Tube, and Uflex paper-based tube packaging KRAFTIKA. Manufacturers expects a good demand for eco-friendly sustainable packaging over the next five years, despite it being 15-20% costlier than non-ecofriendly packaging products as global brands are looking at sustainable packaging material that can reduce harmful impact on the environment and is recyclable or re-usable.

- **New segments:** New application such as Heena in tube format, hand-sanitizer in tube formats, introduction of sauces and spread in tube format to Indian market is expected to support growth in laminated tube industry.

Challenges and risks in laminated tubes packaging

- **Acute competition:** Competition is considerable for domestic medium and small-scale players in the flexible packaging space. Large and established players enjoy superior positioning owing to innovative products and better service offerings, in terms of design. Rising cost pressures because of several tube manufacturers in the space and standard low-cost offerings will ensure acute competition in the industry. Also, there is competition from unorganised manufacturers owing to the low entry barriers. However, manufacturers can reduce competitive intensity by focusing of research and development of innovative products and introducing better design features. Furthermore, the ability to provide new products in line with customers' changing requirement will provide an edge over competitors. In fact, the industry is undergoing rapid changes, in terms of product innovation and offerings. But this lower lifecycle of product design has further increased competition, and, hence, the need is for constant innovation and improvement of the production facilities to manufacture new structure or laminates effectively. Traditional rigid packaging users are also shifting to flexible packaging mainly because flexible packages are aesthetically attractive, cost-effective and sturdy.

- **Volatility in raw material prices:** Polymer and aluminium foils are the key raw materials. As raw material accounts of 60-65% of the product value, it plays a critical role in determining profitability. Given that polymer is a crude oil-derivate, it is subject to high volatility in prices. With current high crude prices, going forward crude oil prices will is expected to see downward correction. The risk of loss or decline in realisations from decline in prices is a key monitorable for the company.

- **Backward integration by customers:** Currently, laminated tubes are primarily directly delivered to end-use customers. But any backward integration by customers and the development of in-house tube-making facilities will lower realisation for the laminated tube industry.

- **Lack of access to advanced technology**: Consumer goods companies are on a constant lookout for ways to cater to consumers' evolving needs and make use of attractive packaging to sale product in a highly competitive market. They tend to rely on flexible packaging companies to innovate and attract more customers. At times, the flexible packaging industry may find it difficult to keep pace with these fast-changing demands. Furthermore, flexible packaging companies have to make constant technology upgrades from product quality and printing capabilities to meet these demands, which would require huge capital investments.
  Due to increasing focus on maximising output and capacity utilisation, there is minimal focus on research and development by small and mid-sized players. Most of the technical components in domestic machinery are imported from Japan, the US and Europe, which leads to a much higher capex to set up a plant.

- **Increased demand for sustainable packaging:** Clients, especially established brands look for sustainable solutions for packaging with minimum impact on environment. Players are innovating to include paper board based tubes, sugar care paper tubes, post-consumer recycled (PCR) tubes made with recycled plastic offering same barrier properties. Separation of laminates for recycling poses challenge and substantial efforts for recycling. Thus, demand for sustainable packaging, drives players to constantly innovate and offer better packaging solution to clients without impact the feel, look and protection offered by the tubes.

- **Large capital expenditure (capex):** The packaging industry requires significant capital to enable investments in plant and machinery, technology, and research to enable innovation of new products.

- **Working capital cycle:** Poor bargaining power increases their debtor and inventory cycles, which drives up working capital requirements, thus hampering companies' credit profile.

- **Impact on tourism:** Travel-tubes sales were impacted on account of slowdown in travel and tourism industry and macro-economic impact from covid pandemic.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 18, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 96 and 160, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statement and Unaudited Financial Results.

OVERVIEW

We are an ISO 9001:2015, ISO 15378:2017 and DMF-type III certified Company engaged in providing primary packaging solution. We currently manufacture a wide and diverse range of packaging products such as laminated tubes ("**Lami Tubes**"), tube laminates and flexible laminates. Our products are primarily used for oral care, pharmaceuticals, cosmetics and fast-moving consumer goods (FMCG) sectors. Our products are available in different sizes, diameters and circular shape as per the specifications of our customers.

Our manufacturing facility is located in Moti Bhoyan, Dist. Gandhinagar, Gujarat and has installed capacity to manufacture Lami Tubes of 9,574 Lakhs Nos. per annum and laminates (tube & flexible) of 15,000 metric tons per annum *(Certified by Mukesh M. Shah, Chartered Engineer vide his certificate dated January, 17, 2023 having registration no. M-0231074)*. Our manufacturing facility is a fully integrated facility with processes starting from plastic granules to films, laminates, printing, injection moulding and Lami Tube, as required, equipping us to manage products from the stages of design to dispatch. This fully integrated environment and well-defined processes provide us competitive advantages in terms of maintenance of quality. Moreover, our manufacturing facility is engineered to be flexible in its production and output with the same plant having the ability to manufacture different products as per different campaigns, with significant backward integration under one roof, which we believe is a significant competitive strength of our Company.

We sell our products to our customers situated in India as well as overseas. Our customer base is spread across various markets which include Belarus, Bulgaria, Indonesia, Nepal, Saudi Arabia, Singapore, Switzerland, Shri Lanka, Slovenia, Tanzania, Tunisia, UAE, USA etc. Our customers majorly consist of medium and large scale manufacturers of oral care, pharmaceuticals, cosmetics and FMCG products. During the nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021, exports of our products accounted for 26.99%, 20.23% and 26.08%, of our revenue from operations, respectively.

Our operations are subject to environmental laws and regulations, which govern, among other things, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites and damage to natural resources as well as employee health and safety. Our growth is further driven by our ability to make available an assortment of quality products over 25 years for manufacturing and supply of plastic Lami Tube, printed and unprinted laminates, flexible laminates etc.

Our Company is led by our experienced senior management. We believe that our senior management's collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences.

Our financial performance

Our financial performance for the nine months period ended on December 31, 2022, and December 31, 2021, and for the Fiscal 2022 and Fiscal 2021 are summarized below:

(in ₹ Lakhs)

Particulars	Nine months ended		Fiscal	
	December 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	2022 (Audited)	2021 (Audited)
Revenue from operation	14,921.36	11,280.36	15,031.47	13,580.13
EBITDA*	900.65	191.74	238.46	1,199.29
Net Profit/(Loss) after Tax (before OCI)	126.44	(354.06)	(492.23)	343.30

**EBITDA comprises of earnings before interest, tax, depreciation, and amortization.*

Change in management and control of our Company

Our Company was originally promoted by Mr. Vikram Patel, Mr. Sharad Patel, Vimpsan Investments Private Limited and Sanket Estates & Finance Private Limited ("**Erstwhile Promoters**"). Our Company made an initial public offering in the year 2000 and the Equity Shares of our Company were listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") with effect from March 13, 2000 and March 23, 2000, respectively.

In the year 2002, certain companies belonging to the Erstwhile Promoters and members of the promoter group ("**Borrowers**") had borrowed funds through an issue of secured redeemable optionally fully convertible premium note ("**Premium Notes**") to Nirma Industries Private Limited ("**NIPL**"). The Premium Notes were secured with a pledge of Equity Shares of the Company ("**Pledged Shares**") held by the Erstwhile Promoters and members of the promoter group. The pledge was created to secure the Premium Notes held by both NCWPL and NIPL (hereinafter for the sake of brevity jointly referred as "**Acquirers**" & "**Current Promoters**"). Since the Borrowers were unable to redeem the Premium Notes, the Current Promoters had invoked the pledge of the equity shares of the Company and intimated the Borrowers on July 22, 2005 that they have invoked the pledge of the Shares of Company in accordance with the terms of the subscription agreements and deed of pledge which triggered an open offer under Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended ("**SEBI Takeover Regulations**") *vide* public announcement dated July 26, 2005.

On becoming aware of certain misconducts and financial irregularities during the management of the Erstwhile Promoters of our Company, the Acquirers made an application to SEBI for withdrawal of the Open Offer which was however denied by SEBI *vide* letter dated April 30, 2007, then by SAT *vide* order dated June 5, 2008 and later on by the Supreme Court *vide* order dated May 9, 2013. Consequently, the Acquirers had finally proceeded with the Open Offer *vide* a letter of offer dated January 9, 2014. On completion of said Open Offer, the Acquirers became the Promoters of our Company with effect from February 14, 2014.

KEY STRENGTHS

Our competitive strengths are as follows:

Diverse set of products and customers spread across industries such as oral care, pharmaceuticals, cosmetics and FMCG.

We are engaged in the manufacturing of packaging products for oral care, pharmaceuticals, cosmetics and FMCG sectors. With over 25 years of operations, we have been able to diversify our product offerings across a wide spectrum of applications and customer requirements. Our diverse range of packaging products include Lami Tube, tube laminates and flexible laminates. We believe that with our years of experience, we have the ability to address the varied and expanding requirements of our customers. We sell our products to our customers situated in India as well as overseas. Our customer base is spread across various markets which include Belarus, Bulgaria, Indonesia, Nepal, Saudi Arabia, Singapore, Switzerland, Shri Lanka, Slovenia, Tanzania, Tunisia, UAE, USA etc. Our customers majorly consist of medium and large-scale manufacturers of oral care, pharmaceuticals, cosmetics and FMCG products. During the nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021, exports of our products accounted for 26.99 %, 20.23% and 26.08% of our revenue from operations, respectively. Our diversified customer base has helped us in introducing new products thereby expanding our product portfolio and consequently helping us in expanding into new geographies.

Fully integrated manufacturing facility

We own and operate a fully integrated manufacturing facility in Moti Bhoyan, Dist. Gandhinagar, Gujarat which enables us to manufacture a wide and diverse range of packaging products such as tube laminates, flexible laminates and Lami Tubes. Our products are primarily used for oral care, pharmaceuticals, cosmetics and FMCG sectors. Our integrated facility allow us to benefit from economies of scale, reduce input costs, reduce our reliance on third parties for raw material, improve quality of our products and improve our operating margins. Additionally, it also allows us to change our product mix within the same set of machineries for manufacturing similar products with certain differentiation and cater to the requirements of our customers from different sectors.

Robust quality control and processes

We have a quality management system across the value chain right from procurement of raw materials till delivery of final products to the customer's location. We have undertaken various initiatives and adopted various systems and processes in order to augment our commitment to focus on quality, which is crucial for our business. Our manufacturing unit is a fully integrated facility which ensures maintenance of quality standards for our packaging products. Further, we have received various quality accreditations including ISO 9001:2015, ISO 15378:2017 and DMF-type III. We believe this gives us competitive advantage in marketing our packaging products to our customers. We believe that our manufacturing facility have adequate facilities and personnel to ensure compliance with the quality specifications and process parameters we have established. We provide the requisite training periodically to our quality and process control personnel.

Strong promoters and experienced management team

Our Company is led by a Board of Directors who have expertise in the packaging industry. Our Managing Director Mr. Shailesh K. Desai has been on the Board of our Company since 2015 and has more than 25 years of industrial experience and understanding of packaging industry. Our Company is managed by a team of experienced personnel having operational and business development experience. Further, our promoters are Nirma Chemical Works Private Limited and Nirma Industries Private Limited, which forms part of the Nirma Group. The Nirma group is a well-known name with strong brand equity. We believe that our management team's experience and their understanding of the packaging industry will enable us to continue to take advantage of both current and future market opportunities, introduce new products to capitalise on the growth opportunities in packaging industry and help us in addressing and mitigating various risks inherent in our business.

KEY STRATEGIES

Our key business strategies include:

Augment our manufacturing capabilities by adding, upgrading and modernizing our infrastructure and technologies

We believe that addition and upgradation of our infrastructure, machines & equipment and technology allows us to enhance our product offerings, reduce operating costs and drive sustainable productivity. We believe in making investments for achieving excellence in our products and implement dynamic and diverse specifications of our customers. Packaging plays a crucial role to promote any product and hence our customers require frequent changes in packaging products. The varieties of customization in any product keep on demanding technological upgradation as well as changes and additions in infrastructure. Hence, in order to equip our technical team with the latest and specialised infrastructure and modern technology, one of the main strategy of our Company is to modernise our manufacturing facility with upgraded technologies. In line with this strategy, in Fiscal 2019, we added two new tubing lines to cater to the pharmaceutical sector which has opened new markets for our Lami Tube business.

Further, in Fiscal 2018, we upgraded our extrusion coating line to manufacture laminates meeting export specification and requirements which also enabled us to launch new products and cater to the requirements of several new customers. We believe our addition, upgradation and modernisation of our infrastructure and technologies will enable us to reduce the operating costs, increase productivity in a sustainable manner and meet the requirements of our customers.

Strengthening and expanding our business relationship

Some of our customers are associated with our company for more than 10 years. Our goal is to build long-term sustainable business relationships with our customers. We plan to continue to expand the range of our products to serve our existing customers and add new customers in different industries. In addition, we intend to continue to expand our footprint in pharmaceutical segment of Lami Tube market without hampering our existing business of oral care segment. In addition, we also intend to continue to build relationships with various pharmaceutical companies and multinational companies, which can help us in expanding our business.

Strengthening our global presence

Through a combination of wider range of products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to strengthen our global presence and become a renowned supplier of packaging products in international markets. For nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021, 26.99%, 20.23% and 26.08% of our Revenue from Operation was on account of export sales in international markets like Belarus, Bulgaria, Indonesia, Nepal, Saudi Arabia, Singapore, Switzerland, Shri Lanka, Slovenia, Tanzania, Tunisia, UAE, USA etc. We intend to further strengthen our presence in international market like U.S.A., U.K., European Countries and Asian Countries etc. We believe that export market provides better margin for our products and going forward we intend to focus more on export markets.

LOCATION OF OUR BUSINESS

- **Registered Office**

Our registered office is located at 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad - 380009. Our registered office is taken on lease by our Company which is valid up to February 29, 2024.

- **Properties**

Our other properties are located at below mentioned addresses:

Sr. No.	Address	Description	Purpose for which the property is utilised	Property type
1	Block No. 1557, &Village: Moti Bhoyan, Kalol Khatraj Road, Taluka: Kalol, Dist: Gandhinagar, Gujarat 382721	Factory	Manufacturing of Lami Tube, tube laminates and flexible laminates	Owned
2	R.S. no. 15/2, 3, 4, 6: 16/1, 2, Thirubhuvanai Village, Mannadipet Commune, Pondicherry 605107	-	Vacant	Owned

PLANT & MACHINERY AND TECHNOLOGY

We believe that we have been able to diversify our product range mainly due to our diversified range of plant & machineries and technological capabilities. Our major machineries includes tube making lines with compression moulding as well as injection moulded shoulder technology from Switzerland, Digital Letter Press Imager ("Computer to Flexo Plates") with latest technology from Germany, UV Letter Press printing machine from Japan, Multi-layer Blown Film Plant from Germany, Extrusion Dual Station Lamination Machine from Germany, Slitters from Germany and U.S.A., Kody machines, Pelican slitter, Rotogravure printing press and Adhesive Lamination machine. We intend to continue to focus on and make investments in plant & machineries and technology to improve our operational efficiency, customer service, reducing manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

EXISTING INSTALLED CAPACITY

The following table provides details of our installed capacity and extent of utilization:

Location	Product	Installed Capacity		Utilised Capacity (%)	
		For nine months ended December 31, 2022^	Fiscal 2021-22	For nine months ended December 31, 2022^	Fiscal 2021-22
Moti Bhoyan, Dist. Gandhinagar, Gujarat	Lami tubes	7,180 Lakhs (Nos.)	9,574 Lakhs (Nos.)	53.5%	51.2%
	Laminates (Tubes & Flexible)	11,250 MT	15,000 MT	28.05%	24.5%

^Not Annualised

Notes:

- *Capacity and utilisation for Lami Tubes includes that of Monolayer Tubes.*
- *Capacity and utilisation for Laminates includes Tube Laminates and Flexible Laminate.*
- *Above is because of interchangeable nature of products and capacity.*

Certified by Mukesh M. Shah, Chartered Engineer vide his certificate dated January, 17, 2023 having registration no. M-0231074.

DESCRIPTION OF OUR BUSINESS

Our Product Portfolio

Our diverse product portfolio includes:

Lami Tubes

Lami Tube combine advanced packaging features externally and internally to give the product a different and attractive image. Externally, the tube remains flexible, smooth and soft at any stage of use. At the same time, it stresses product character that makes it ideal for all oral care, cosmetics, pharmaceuticals, food and other products that demand best packaging. With excellent barrier properties, Lami Tube are a cost-effective solution to increase a product's shelf life. Their smooth, flexible and soft exteriors deliver excellent seal ability and enable high filling line speed during the packaging process. Their features include shoulder barriers for superior flavor and moisture retention, pin-hole orifices for low viscosity products and nozzle seals with an option of hot foil stamping. We offer Lami Tube in all major running diameters (sizes) ranging from 16mm to 35mm diameters and have the capacity to produce both aluminium based Lami Tube as well as plastic-based Lami Tube addressing the complete customer requirement for range of Lami Tube. Lami Tube contributed 45.13%, 51.93% and 55.35% of the total revenue from operations for the nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021.

Tube Laminates

Tube Laminate is one of the primary input materials in the production of Lami Tube. Laminates are composite materials made from LDPE that form the core barrier of the tube body. This help keep contents fresh and safe with multiple layers and barrier foil. Laminates also help a product catch the customer's eye from the shelf, with their various available finishes and design possibilities.

Our tube laminates include Aluminium Based tube Laminates (ABL) and Plastic Based tube Laminates (PBL). ABL tubes allow superior light, air and moisture barrier along with reduced flavor absorption in a more durable tube; suitable for pastes, ointments, creams, gels & OTC pharma products while PBL are particularly suitable for packaging that needs to offer strong chemical resistance whilst maintaining barrier properties.

Our manufacturing facility is able to manufacture Tube Laminates having a thickness which ranges from 175 micron to 400 micron as well as provide a range of decorative possibilities on our Tube Laminates enabling brand owners with better branding options. Our Tube Laminates are sold either printed or unprinted form as per customer requirements and are used in oral care, cosmetics and pharmaceutical industries. Tube laminates contributed 46.70%, 38.47% and 34.38% of the total revenue from operations for the nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021.

Flexible Laminates

Flexible laminates are known by the number of layers and combination of material which has been used in. Different materials are combined to have the advantage of properties of those materials. e.g. LDPE is generally used for its sealing properties, aluminium/nylon may be used for barrier properties, polyester may be used for better surface printing properties, etc. Flexible laminates improve shelf life of the material, maintain aroma, impart better look to the pack and make it economical compared to rigid packaging. We have capacity to make extrusion coating based flexible laminates, adhesive laminates with gravure printing line. We offer a range of paper based as well as PET based flexible laminates as a packaging solution for variety of Pharma and FMCG products. Flexible laminates are normally in the thickness of 80 micron to 150 micron. It is used for the packaging of a wide range of food products, pharma products and cosmetic products. Flexible laminates can be decorated in several ways using gravure printing. Flexible laminates contributed 2.92%, 4.83% and 5.36% of the total revenue from operations for the nine months ended December 31, 2022, Fiscal 2022 and Fiscal 2021.

MANUFACTURING PROCESS

The main steps involved in the manufacturing process for products of the Company are as follows:

Manufacturing of Lami Tube and Tube Laminates

For Tube Laminates:

The manufacturing process of tube laminates begins with the lamination process over four phases i.e. blown film, laminating, slitting and printing. Once the printed laminates are produced, they are ready for moulding and tubing. The phases for the manufacturing of tube laminates are as under:

Blown Film: Melted plastic granules are extruded through a cross head die to blow up the tube like a balloon. A high-speed air ring blows onto the hot film to cool it and the air inside the bubble is also exchanged. This is known as internal bubble cooling.

Laminating: Extrusion coating and extrusion laminating are converting processes that allow different substrate materials to be combined to obtain a single compound structure. The materials involved includes PE films, nylon, EVOH, FOIL barrier films.

Slitting: Slitting is a process wherein a coil of material, is slit into the lengths and widths specified by the end application. As the material runs through the machine, the laminated rolls are moved through extremely sharp circular blades.

Printing: Printing is communication media, communicating the message in the form of words or pictures. Art works provided by our customers are processed using sophisticated technology to enable accuracy with printing of number of colours and other details on the laminate. During the printing process is completed, different colours are merged together to give the desired design.

For Lami Tube:

Post the above process for tube laminates, Lami Tube require additional processes as under:

Injection Moulding: Injection moulding is a manufacturing process for producing parts by injecting molten material into a mould. Injection moulding can be performed with a host of materials mainly elastomers, and most commonly thermoplastic polymers.

Tubing: Tubing is the final stage in the complete manufacturing process of the tube making. Printed laminate is sealed to form sleeves, shoulder is fixed by compression moulding shoulders or pre-moulded shoulders and appropriate cap is applied to the tube based as required by the customer.

Manufacturing of Flexible Laminates

Printing Process: Rotogravure is a type of intaglio printing process, which involves engraving the image onto an image carrier. In gravure printing, the image is engraved onto a cylinder using a rotary printing press. Reverse printing and surface printing are possible. Rotogravure printing, system of printing based on the transfer of fluid ink from depressions in a printing plate to the paper. It is an intaglio process, so-called because the design to be printed is etched or engraved below the surface of the printing plate.

Lamination Process: Lamination of the flexible laminates can be done in three manners i.e., dry lamination, wet lamination and solventless lamination. Types of laminations are described hereunder:

Dry Lamination: In dry lamination, the bonding agent is applied on the substrates that have been dissolved into a liquid. The dissolved substrate is dried in an oven to evaporate the remaining bonding material. Lastly, the adhesive is applied to this substrate, which is laminated to another substrate with the help of high pressure and heated rollers. This process strengthens the bond of the laminate as well.

Wet Lamination: In this process, the combining agents are kept in liquid form when substrates are needed to be combined. Wet lamination is best for the production of aluminium foil or paper laminate where the material is also flexible.

Solventless Lamination: The solvent is not used when it comes to producing adhesive substance. Also, opting for solventless adhesive needs two or more substrates, which react during this lamination process and there is no need for any drying component. This process results in the laminated web which is rewound into the complete roll.

QUALITY MANAGEMENT

In the packaging industry, adherence to quality standards is critical, since any defects in any of the products manufactured by our company, or failure to comply with the specifications of our customers, may lead to cancellation of their purchase order. In order to maintain the quality standards and comply with the design specifications provided by our customers, the quality control team, led by our chief quality officer, is tasked not only with thorough pre-manufacturing checks but also with employing an extensive and stringent quality control mechanism at each stage of the manufacturing process including inspection of raw materials; in-process inspection of products; and test of finished goods, among other processes.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. In recognition of our quality standards, we have been accredited with the ISO 9001:2015 and ISO 15378:2017 certification and DMF-type III.

APPROACH TO MARKETING

Our Company manufactures and sells Lami Tubes to oral care, pharmaceuticals, cosmetics and FMCG industries and Tube Laminates to lami tube converters. Our marketing efforts are led by Hemal Shah, Whole Time Director, who is assisted by General Manager-Marketing. They are additionally supported by a team out of which one member exclusively looks after the overseas marketing. Our marketing department closely tracks the growth and future plans of companies in such industries based on the analysis of which our marketing team formulates our marketing and business development plan. Our marketing team maintains regular contact with the end user industry personnel for their existing and future requirement of packaging.

OUR CUSTOMERS:

Lami Tubes manufactured by our company are used as primary packing material in oral care, pharmaceuticals, cosmetics and FMCG products. Further, we market and sell tube laminates to lami tube converters. Our customers consist of medium and large size manufacturers of oral care, pharmaceuticals, cosmetics and FMCG products. Our customers are based in domestic as well as overseas market like Belarus, Bulgaria, Indonesia, Nepal, Saudi Arabia, Singapore, Switzerland, Shri Lanka, Slovenia, Tanzania, Tunisia, UAE, USA etc. We have an in-house team led by Hemal Shah, Whole Time Director, which is responsible for the marketing, distribution and sales of our products across the markets we operate in. We maintain direct contact with majority of our customers, which allows us to understand the current needs of our customers and gauge their future requirements.

COMPETITION

The packaging industry is highly fragmented in nature with large number of unorganised players. Also organized players keep on adding capacity to service customer's requirements. Accordingly, considerable capacity has been added by organized as well as unorganized players. This has created enormous competition among players. Like any other company, our Company also faces competition from many other players. We compete against our competitors by nurturing our deep customer relationship and establishing ourselves as a manufacturer of quality packaging products. For this purpose, we use the latest technology and machinery to provide our clients a variety of quality packaging products.

We focus on superior quality, shorter lead time and high service level as means to keep the customer satisfaction high. We also invest in technology driven innovation, Sustainability driven products/ process to sustain its competitive edge.

INTELLECTUAL PROPERTY

We own eight trademarks as on the date of this Draft Letter of Offer. The registered trademarks are valid for a period of 10 years from the date of application or renewal. For further details, see "*Risk Factors - We may fail to protect our intellectual property rights, or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation*" on 34.

MANPOWER

Human Resource is one of the critical support functions and forms another key element of the corporate backbone. As of December 31, 2022, we have 349 permanent employees across different departments. Further, we also employ persons on contract basis from time to time.

INSURANCE

Our operations are subject to various risks inherent in the packaging industry. Accordingly, we have obtained various insurance policies, including, standard fire & special perils, fire loss of profit policy, marine, machinery breakdown, bharat udyam sookshma policy, employees and workmen compensation, group personal accident insurance, group gratuity, vehicle insurance, shipment comprehensive risk. As on December 31, 2022, our total sum insured for above mentioned policy is amounting to ₹ 84,140.38 Lakhs.

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

As on the date of this Draft Letter of Offer, our Company has 6 (Six) Directors on our Board, comprising of 1 (One) Managing Director, 1 (One) Whole-time Director, and 4 (Four) Non-Executive Directors, out of which 2 (Two) are Independent Directors and 1 (One) is woman Director. Mittal Karsanbhai Patel, non-executive director is a chairman of the Board of Directors of our Company.

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors, unless otherwise determined by our Company through a special resolution. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer:

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
1.	**Shailesh Khushaldas Desai** **Designation**: Managing Director **Current Term**: 3 (three) years with effect from August 3, 2021 up to August 2, 2024 (Liable to retire by rotation) **Period of Directorship**: Director since August 3, 2015 **Occupation**: Service **Date of Birth**: May 19, 1960 **DIN**: 01783891 **Address**: 16 Heritage Residency, Thaltej Shilaj Road, Thaltej, Ahmedabad – 380 054, Gujarat, India.	62	Nil
2.	**Hemal Rohitkumar Shah** **Designation**: Whole Time Director **Current Term**: 2 (two) years with effect from November 27, 2022 up to November 26, 2024 (liable to retire by rotation) **Period of Directorship**: Director since November 27, 2015 **Occupation**: Service **Date of Birth**: July 26, 1976 **DIN**: 07338419 **Address**: 403, Samvat Residency, Shrinivas Society,	46	Nil

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
	Viakshgruh Road Paldi, Ahmedabad – 380 007, Gujarat, India.		
3.	**Mittal Karsanbhai Patel** **Designation**: Non-Executive (Non-Independent) Director (Chairman) **Current Term**: Liable to retire by rotation **Period of Directorship**: Director since February 10, 2015 **Occupation**: Business **Date of Birth**: November 27, 1983 **DIN**: 03619139 **Address**:87 Kalhaar Exotica, Opposite 42 Parkview, Science City, Sola, Ahmedabad – 380 060, Gujarat, India.	39	1. Navin Global Private Limited
4.	**Pathik Chandrakant Shah** **Designation**: Independent Director **Current Term**: 5 (five) years with effect from April 1, 2019 till March 31, 2024 **Period of Directorship**: Director since December 29, 2005 **Occupation**: Service **Date of Birth**: May 30, 1974 **DIN**: 00076715 **Address**: 903, Gulmohar Heights, Opp. Madhur Hall, Satellite, Anandnagar Cross Road, Ahmedabad – 380 015, Gujarat, India.	48	Atlantis Products Private Limited
5.	**Vandana Chandreshbhai Patel** **Designation**: Non-Executive (Non-Independent) Director **Current Term**: Liable to retire by rotation **Period of Directorship**: Director since May 26, 2015 **Occupation**: Service	54	Nil

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
	Date of Birth: April 29, 1968 **DIN**: 07010646 **Address**: A6, New Navjyot Society, Opp Niketa Park, H. B Kapadia School, Memnagar, Ahmedabad – 380 052, Gujarat, India.		
6.	**Shalin Sudhakarbhai Patel** **Designation**: Independent Director **Term**: 5 (five) years with effect from February 9, 2021 upto February 8, 2026 **Period of Directorship**: Director since February 9, 2016 **Occupation**: Business **Date of Birth**: November 23, 1974 **DIN**: 01779902 **Address**: 13 Rambaug, Behind Karnavati Club, S. G. Road, Ahmedabad – 380 058, Gujarat, India.	48	1. Arvee Laboratories (India) Limited; 2. Applitech Infotech Private Limited; and 3. Arvee Speciality Chemicals Private Limited.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

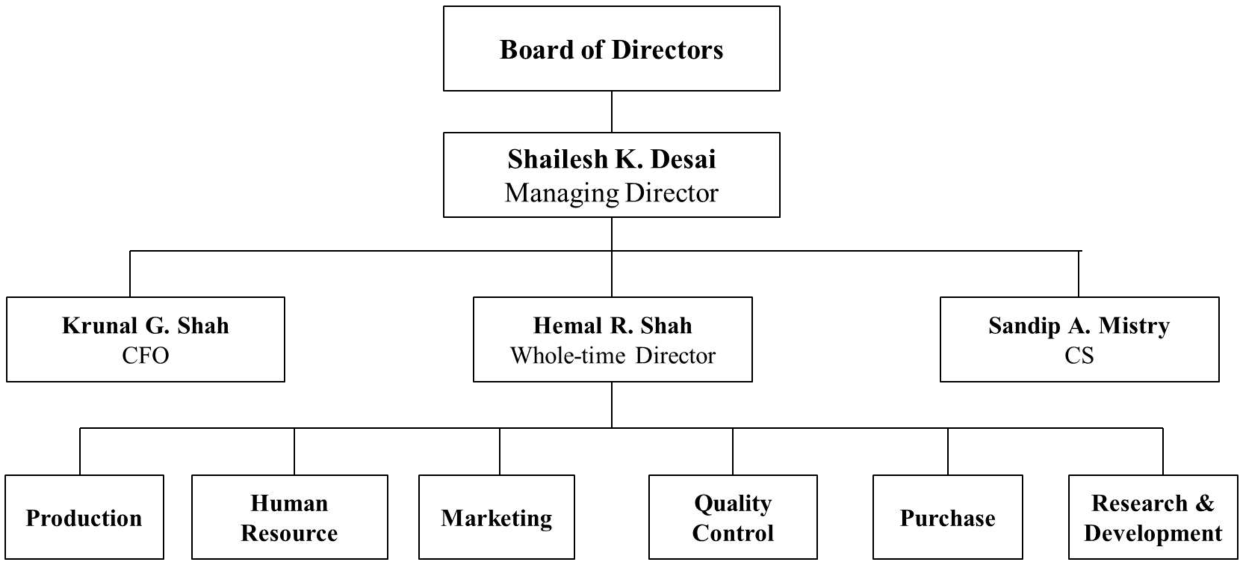
None of our Directors is or was a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer.

Our Key Management Personnel and Senior Management Personnel

Sr. No.	Name of Key Management personnel and senior management personnel	Associated with the Company since	Current Designation
1.	Shailesh Khushaldas Desai	August 3, 2015	Managing Director
2.	Hemal Rohitkumar Shah	July 7, 2003	Whole Time Director*
3.	Krunalkumar G. Shah	August 21, 2008	Chief Financial Officer**
4.	Sandip A. Mistry	January 4, 2021	Company Secretary

**Appointed as Whole Time Director with effect from November 27, 2015.*
***Appointed as Chief Financial Offer with effect from May 27, 2014.*

ORGANISATION STRUCTURE



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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MAHENDRA N. SHAH & CO.
CHARTERED ACCOUNTANTS

E-mail : office@mnshahca.com
kjpandco@gmail.com
Web : www.mnshahca.com
Ph. : 079-2970 5151/52, +91 8980024640

Independent Auditor's review report on Unaudited Quarterly and Year to Date Standalone Financial Results of Shree Rama Multi-Tech Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Shree Rama Multi-Tech Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Shree Rama Multi-Tech Limited** ("the company") for the quarter and nine months ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with relevant circulars issued by SEBI (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of interim Financial information Performed by the independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis of Qualified Conclusion
   (a) *We draw attention to Note No. 5 to the financial results for non-provision interest of Rs. 641.04 Lakhs for the nine months ended on December 31, 2022 on loans and debentures which are under settlement as per scheme. Total accumulated interest not provided for upto 31/12/2022 is Rs. 17888.41 Lakhs. If the provision for interest is made, the loss for the current quarter would have increased by Rs. 213.68 Lakhs, profit for the nine months would have decreased by Rs. 641.04 Lakhs and accumulated losses upto 31/12/2022 and borrowings would have increased by Rs. 17888.41 Lakhs.*

MAHENDRA N. SHAH & CO. FIRM REG. NO.:105775W AHMEDABAD CHARTERED ACCOUNTANTS *(b) Non-consolidation of accounts of Shree Rama (Mauritius) Limited (Wholly Owned Subsidiary) as per Section 129 of the Act and Ind AS 110 issued by the Institute of Chartered Accountants of India for the reasons specified in Note No. 9 to the financial results.*

5. Based on our review conducted as above, *except for the matters described in para 4 above,* nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter
   Attention is invited to the following :-
   (a) Note No. 4 to the financial results related to order of Hon'ble High Court of Gujarat in respect of Scheme of Compromise and Arrangement u/s 391(1) of the Companies Act, 1956.
   (b) Note No. 6 to the financial results relating to settlement agreement with certain lenders and preference shareholder.
   Our conclusion is not modified in respect of the above matters.

7. Other Matter
   Attention is drawn to the fact that the figures for the quarter & nine months ended December 31, 2021 and year ended March 31, 2022 are based on previously issued financial results and annual financial statements that were reviewed/audited by the predecessor auditor (vide their limited review report dated February 09, 2022 and audit report dated May 21, 2022, respectively). Our conclusion is not modified in respect of this matter.

For, Mahendra N. Shah & Co.
Chartered Accountants
FRN. 105775W

MAHENDRA N. SHAH & CO. FIRM REG. NO.:105775W AHMEDABAD CHARTERED ACCOUNTANTS

Chiragshah

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: February 08, 2023
UDIN: 23045706BGUVKQ2303

SHREE RAMA MULTI-TECH LIMITED

Regd. Office : 301, Corporate House, Opp. Torrent House, Income Tax, Ahmedabad - 380 009.
Website: www.srmtl.com, Email : cslegal@srmtl.com, CIN No. L25200GJ1993PLC020880

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER, 2022

(Rs. In Lakhs)

Sr. No.	PARTICULARS	Quarter ended			Nine Months ended		Year ended 31st March, 2022 (Audited)
		31/12/2022 (Unaudited)	30/09/2022 (Unaudited)	31/12/2021 (Unaudited)	31/12/2022 (Unaudited)	31/12/2021 (Unaudited)	
1	(a) Income from operations						
	(i) Revenue from operations	4844.10	5166.00	4011.12	14790.86	11215.23	14934.40
	(ii)Other Operating Income	52.53	37.21	22.45	130.50	65.13	97.07
	Total income from operations (net)	4896.63	5203.21	4033.57	14921.36	11280.36	15031.47
	(b) Other Income	2.04	0.32	35.67	2.66	48.39	42.07
	Total income	4898.67	5203.53	4069.24	14924.02	11328.75	15073.54
2	Expenditure						
	Cost of material consumed	3045.62	3418.51	3080.83	9510.65	7763.41	10676.73
	Changes in inventories of finished goods,Work-in-progress and stock-in-trade	92.44	114.54	(420.98)	357.49	(430.81)	(829.70)
	Employees benefit expenses	420.70	437.27	405.48	1242.03	1202.59	1588.09
	Depreciation and amortisation expenses	154.81	153.58	170.00	459.70	504.20	665.07
	Power & Fuel Exps.	226.88	252.42	229.77	741.51	715.62	904.49
	Finance Cost	42.49	39.68	19.84	109.61	41.60	65.62
	Other Expenses	726.02	773.56	641.18	2171.69	1886.20	2495.47
	Total Expenses	4708.96	5189.56	4126.12	14592.68	11682.81	15565.77
3	Profit / (Loss) before exceptional items and tax (1-2)	189.71	13.97	(56.88)	331.34	(354.06)	(492.23)
4	Exceptional Items (Net)	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit / (Loss) before tax(3+4)	189.71	13.97	(56.88)	331.34	(354.06)	(492.23)
6	Tax Expenses						
	(i) Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Short/(Excess) Provision for Income Tax of earlier years	204.90	0.00	0.00	204.90	0.00	0.00
7	Net Profit / (Loss) for the period from continuing operations (5+6)	(15.19)	13.97	(56.88)	126.44	(354.06)	(492.23)
8	Profit / (Loss) for the period from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
9	Tax expense of discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit / (Loss) for the period from discontinued operations (after tax) (8-9)	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit / (Loss) for the period (7+10)	(15.19)	13.97	(56.88)	126.44	(354.06)	(492.23)
12	Other Comprehensive Income						
	(i) Items that will not be re-classified to Profit/(Loss)	(1.89)	0.77	(0.32)	1.50	(0.06)	16.58
	(ii) Income tax effect on above	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Items that will be re-classified to Profit/(Loss)	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Income tax effect on above	0.00	0.00	0.00	0.00	0.00	0.00
	Total Other Comprehensive Income/(Loss)	(1.89)	0.77	(0.32)	1.50	(0.06)	16.58
13	Total Comprehensive income for the period [Comprising Profit / (Loss) and Other Comprehensive Income for the period] (11+12)	(17.08)	14.74	(57.20)	127.94	(354.12)	(475.65)
14	Paid up equity share capital of Face Value of Rs 5/- each	3176.03	3176.03	3176.03	3176.03	3176.03	3176.03
15	Reserves excluding Revaluation Reserves as per Balance Sheet of the Previous Year	0.00	0.00	0.00	0.00	0.00	(825.41)
16	Earning Per Share (EPS) (of Rs. 5/- each)						
	(i) Basic	(0.02)	0.02	(0.09)	0.20	(0.56)	(0.78)
	(ii) Diluted	(0.02)	0.02	(0.09)	0.20	(0.56)	(0.78)

Notes:

1) The above Unaudited Financial Results for the quarter and nine months ended on December 31, 2022 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on February 08, 2023. The Limited Review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the company.

2) The Unaudited Financial Results for the quarter and nine months ended on December 31, 2022 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

3) The company operates in a single segment and in line with Ind AS - 108 "Operating Segments", the operations of the Company fall under "Manufacturing of Packaging Materials" business which is considered to be the only reportable business segment.

4) The Hon'ble High Court of Gujarat had passed an order on February 20, 2020, whereby the O.J. Appeal filed by the Company against the order of single bench of Hon'ble High Cort of Gujarat in respect of Scheme of Compromise and Arrangement u/s 391(1) of Companies Act, 1956 has been dismissed. The Company has filed Review Application on November 02, 2020 before Hon'ble High Court of Gujarat.

5) In respect of loans and debentures aggregating to Rs. 6171.66 lakhs which are under settlement as per scheme, the company has not provided interst of Rs. 641.04 lakhs on the same for the nine months ended on 31/12/2022. Total accumulated interest not provided for upto 31/12/222 is Rs. 17888.41 lakhs.

6) The Company has entered into a Settlement Agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before March 31, 2023 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by March 31, 2023 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed with the lenders/Preference Shareholder.

7) The Draft Letter of Offer (DLOF) filed with SEBI,Ahmedabad on 8th July, 2022 for the raising of funds, through issue and allotment of equity shares of face value of Rs. 5 each ("Equity Shares") for an aggregate amount of up to Rs. 8,000.00 lakhs on Rights basis to the eligible equity shareholders of the Company pursuant to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (LODR) Regulation, 2015 and Companies Act, 2013 as amended from time to time ("Rights Issue") has been withdrawn on 6th January, 2023 for the time being by the Company.

8) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazettle of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

9) The company has made investment of Rs. 13.06 lakhs into equity shares and Rs. 18.60 lakhs in share application money in Shree Rama (Mauritius) Limited, its wholly owned subsidiary company (WOS). The company has made an application to the authorised dealer for the permission of RBI to write off as required under FEMA laws. Further, the company is declared Defunct under the Mauritius law. The company has made full provision for diminution in the value of investment in equity and share application money in earlier years. In view of the above, the consolidated financial results as required by Ind AS 110 issued by ICAI, and provisions of the Companies Act, 2013 could not be prepared.

10) In respect of balances outstanding in the books relating to advance tax, TDS receivable, provision for income tax, etc. of earlier years, the company has reviewed present status of various tax matters and passed accounting entries for Net Short provision of Income Tax of Rs. 204.90 Lakhs during the current quarter. The company has also accounted for interest income on tax refunds of earlier years amounting to Rs. 114.49 Lakhs and relevant opening balances have been restated as required under Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" issued by the ICAI and notified by MCA.

11) The figures of previous quarters / year are reclassified, regrouped and rearranged wherever necessary so as to make them comparable with current period's figures.

By Order of the Board of Directors
For, Shree Rama Multi-Tech Limited

Shailesh K. Desai
Managing Director

Place : Moti Bhoyan
Date : February 08, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
Shree Rama Multi-Tech Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Shree Rama Multi-Tech Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, ***except for the matters described in the basis for qualified opinion para below***, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec. 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended on that date.

Basis for Qualified Opinion

a. *The Company has made borrowings in the form of loans, debentures, etc. in earlier years which are under settlement. During the year the Company has not provided interest of Rs. 854.72 Lakhs on such outstanding borrowings. The accumulated interest on such borrowings not provided for past several years upto 31/3/2022 is Rs. 17,247.37 Lakhs.*

   If the provision for interest is made, the loss for the current year would have increased by Rs. 854.72 Lakhs and accumulated losses upto 31/3/2022 would have increased by Rs. 854.72 Lakhs and accordingly net loss for the current year would have been 1330.37 Lakhs and accumulated losses upto 31/3/2022 would have been Rs. 47213.82 Lakhs (Refer Note No. 49.6 of financial statements).

b. *Non-consolidation of accounts of Shree Rama (Mauritius) Limited (Wholly Owned Subsidiary) as per Section 129 of the Act & Ind AS 110 issued by the Institute of Chartered Accountants of India for the reasons specified in Note No. 39 of the financial results.*

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the

CHANDULAL M SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

a. We draw attention to Note No. 49.5 of the financial statements. The Hon'ble High Court of Gujarat has passed an order dated 20/2/2020, whereby the O.J. Appeal filed by the Company against the order of single bench of Hon'ble High Court of Gujarat in respect of Scheme of Compromise and Arrangement u/s 391(1) of Companies Act, 1956 has been dismissed. The Company has filed Review Application on 02/11/2020 before the Hon'ble High Court of Gujarat.

b. We draw attention to Note No. 49.7 of the financial statements. The Company has entered into a Settlement Agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before 31st July, 2022 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by 31st July, 2022 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed by lenders/Preference Shareholder.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Provisions and Contingent Liabilities relating to taxation, litigations and claims The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to income tax, general legal proceedings and other eventualities arising in the regular course of business. The computation of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and	**Principal Audit Procedures included :** • Understanding the process followed by the Company for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team, including challenging the assumptions and critical judgements made by the Company which impacted the computation of the provisions and inspecting the computation.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Key Audit Matter	Auditor's Response
interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	• Assessing the Company's disclosures in the standalone financial statements in respect of provisions and contingent liabilities.

Information other than Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's reports thereon.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
      i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements (Refer Note No. 49 to the financial statements);
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company except dividend mentioned in Note No. 49.3(b).
      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Company ("Ultimate Beneficaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For, Chandulal M. Shah & Co.,
Chartered Accountants
Firm Reg. No. 101698W

C. S. Panchal.

CA Chetan S. Panchal
Partner
Membership No. 147415
UDIN: 22147415AJITQN5640

Date: 21/05/2022
Place: Ahmedabad

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Annexure "A" to the Independent Auditors' report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements section of our report to the members of Shree Rama Multi-Tech Limited of even date)

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Shree Rama Multi-Tech Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to these standalone financial statements

A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

For, Chandulal M. Shah & Co.,
Chartered Accountants
Firm Registration No. 101698W

C.S. Panchal.

CA Chetan S. Panchal
Partner
Membership No. 147415
UDIN: 22147415AJITQN5640

Date: 21/05/2022
Place: Ahmedabad

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements section of our report to the members of Shree Rama Multi-Tech Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of Company's Property, Plant and Equipment and Intangible Assets :

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant & Equipment and right-of-use assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties as disclosed in Note No. 2 on "Property, Plant and Equipment" and Note No. 14 on "Assets Held for Sale" to the financial statement are mortgaged with lenders and as informed to us same are in the name of the company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks which are not in agreement with the books of account. Details of the same are as below.

(Rs. In Lakhs)

Quarter	Particulars of Current assets provided as security	Amount as per books of accounts	Amount as per Quarterly returns / statements	Difference
June-2021	Inventory and	4941.92	4604.69	337.23

CHANDULAL M SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

	Trade Receivable			
September-2021	Inventory and Trade Receivable	5109.87	5312.88	(203.01)
December-2021	Inventory and Trade Receivable	5991.84	5776.85	214.99
March-2022	Inventory and Trade Receivable	5968.43	5444.97	523.46

iii. The Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted loans or advances in the nature of loans to other parties, in respect of which :

(a) The Company has provided interest-free unsecured loans or advances in the nature of loans during the year and details of which are given below:

Particulars	Aggregate Amount during the year (Rs. In Lakhs)	Balance outstanding at the balance sheet date (Rs. In Lakhs)
- Subsidiaries	Nil	Nil
- Joint Ventures	Nil	Nil
- Associates	Nil	Nil
- Others (employees including KMP)	4.50	1.90

The Company has not given guarantee or provided security to any other entity during the year.

(b) The grant of all the above-mentioned loans or advances in the nature of loans to employees are, in our opinion, prima facie, not prejudicial to the interest of the Company.

(c) In respect of interest-free loans or advances in the nature of loans provided by the Company to its employees, the schedule of repayment of principal has been stipulated except one case and the repayments of principal amounts are regular as per stipulation in such cases.

In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have not been stipulated. In the absence of stipulation of repayment terms are unable to comment on the regularity of repayment of principal and payment of interest.

(d) According to information and explanations given to us and based on the audit procedures performed in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment, details of which are given below:

Particulars	All parties	Promoters	Related Parties
Aggregate amount of loans or advances in the	Rs. 4.50 Lakhs	Nil	Rs. 4.50 Lakhs

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

nature of loans which are repayable on demand or without specifying any terms or period of repayment			
Percentage thereof to the total loans granted	100%	Nil	100%

iv. In our opinion and according to the information and explanations given to us, the Company has not granted loan or made investment or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013. Hence reporting under clause (iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148 of the Act, and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) The company has been generally regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of any dispute, except the following:

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Penalty Sec.271(1)(c)	71.27	A.Y.2009-10	ITAT-AHEMDABAD
Income Tax Act, 1961	Penalty Sec.271(1)(c)	331.07 453.46 291.98	A.Y.2002-03 A.Y.2003-04 A.Y.2004-05	Gujarat High Court
Central Excise Act, 1944	Excise & Penalty	262.90	F.Y. 2004-05	Gujarat High Court
Central Excise Act, 1944 & Finance Act, 1994	Excise & Service Tax	10.73	March 2014 to March 2016	Deputy Commissioner, GST, Kalol Division

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) The Company had defaulted in respect of loans and other borrowings as below for which the Company has filed scheme of Arrangement and Compromise as mentioned in Note No. 51.5 of the Notes on Accounts:

Nature of Borrowing	Name of the lender	Amount not paid on due date (Rs. In Lakhs)		Nos. of days delay or unpaid
		Principal	Interest	
Term Loan	Nirma Chemical Works Private Limited	2500.00	7226.42	Since F.Y. 2002-03
Debentures	Nirma Chemical Works Private Limited	3000.00	7884.41	Since F.Y. 2002-03
Debentures	Nirma Chemical Works Private Limited	477.36	1526.47	Since F.Y. 2002-03
Debentures	Nirma Credit and Capital Private Limited	194.50	610.06	Since F.Y. 2002-03

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and hence reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Hence reporting under clause (ix)(f) of the Order is not applicable.

x. (a) The company did not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause x(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year under review and hence reporting under clause x(b) of the Order is not applicable.

xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

NANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with its directors during the year. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the company

xvii. After considering the effect of our audit qualification reported in paragraph (a) of the Basis for Qualified Opinion section of our Audit Report, the Company has incurred cash losses amounting to Rs. 691.41 Lakh during the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

CHANDULAL M SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For, Chandulal M. Shah & Co.,
Chartered Accountants
Firm Registration No. 101698W

C. S. Panchal.

CA Chetan S. Panchal
Partner
Membership No. 147415
UDIN: 22147415AJITQN5640

Date: 21/05/2022
Place: Ahmedabad

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

SHREE RAMA MULTI-TECH LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in Lakhs)

	Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	**5,393.90**	6,022.00
	(b) Intangible assets	3	**0.90**	1.48
	(c) Right of Use Assets	52.4	**1.22**	4.88
	(d) Financial Assets			
	(i) Investments	4	**0.34**	0.31
	(ii) Other Financial Assets	5	**26.50**	6.54
	(e) Other non-current assets	6	**66.19**	40.94
	(f) Income Tax Asset (Net)		**351.16**	318.65
2)	**Current assets**			
	(a) Inventories	7	**3,244.94**	2,143.73
	(b) Financial Assets			
	(i) Trade receivables	8	**2,789.41**	2,331.27
	(ii) Cash and cash equivalents	9	**12.72**	3.16
	(iii) Bank balances other than (ii) above	10	**-**	234.18
	(iv) Loans	11	**1.90**	1.60
	(v) Other Financial Assets	12	**0.75**	58.97
	(c) Other current assets	13	**312.55**	163.48
	Assets held for sale	14	**247.35**	247.35
	TOTAL ASSETS		**12,449.83**	**11,578.54**
II	**EQUITY AND LIABILITIES**			
1)	**Equity**			
	(a) Equity Share capital	15	**3,176.03**	**3,176.03**
	(b) Other Equity	16	**(825.41)**	(349.76)
2)	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	**6,838.53**	6,838.53
	(ii) Lease Liability		**-**	1.38
	(iii) Other financial liabilities	18	**160.97**	161.65
	(b) Provisions	19	**145.40**	139.22
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	**1,087.94**	120.11
	(ii) Lease Liability		**1.38**	3.89
	(iii) Trade payables	21		
	Total Outstanding dues of Micro and Small Enterprises		**333.31**	361.51
	Total Outstanding dues of Creditors other than Micro and Small Enterprises		**961.57**	842.07
	(iv) Other financial liabilities	22	**123.10**	144.82
	(b) Other current liabilities	23	**436.09**	119.98
	(c) Provisions	24	**10.92**	19.11
	TOTAL EQUITY AND LIABILITIES		**12,449.83**	**11,578.54**
	Significant Accounting Policies and Notes on Financial Statements	1 to 58		

As per our report of even date attached herewith

For Chandulal M. Shah & Co.
Chartered Accountants
FRN: 101698W

C. S. Panchal.

Chetan S. Panchal
Partner M. No.: 147415

Place : Ahmedabad
Date : 21/05/2022

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of the Board

Shailesh Desai
Managing Director
(DIN: 01783891)

Hemal Shah
Whole Time Director
(DIN: 07338419)

K. G. Shah

Krunal Shah
Chief Financial Officer

Sandip Mistry
Company Secretary

Place : Moti-Bhoyan
Date : 21/05/2022

SHREE RAMA MULTI-TECH LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In lakhs)

	Particulars	Notes	2021-22	2020-21
I	**INCOME**			
	Revenue from operations	25	15,031.47	13,580.13
	Other income	26	42.07	20.17
	Total Income		**15,073.54**	**13,600.30**
II	**EXPENSES**			
	Cost of materials consumed	27	10,676.73	7,411.53
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(829.70)	364.72
	Employee benefits expense	29	1,588.09	1,541.37
	Finance costs	30	65.62	88.16
	Depreciation and amortization expense	31	665.07	767.83
	Other expenses	32	3,399.96	3,083.39
	Total Expenses		**15,565.77**	**13,257.00**
III	**Profit/(Loss) before tax**		**(492.23)**	**343.30**
IV	**Tax Expenses**			
	Current Tax		-	-
	Deferred Tax		-	-
V	**Profit/(Loss) for the year**		**(492.23)**	**343.30**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of defined employee benefit plans		16.58	18.36
	b) Income tax relating to item (a) above		-	-
VII	**Total Comprehensive Income/(Loss) for the year**		**(475.65)**	**361.66**
VIII	**Earning per Equity Shares of Rs. 5 each**	33		
	(i) Basic		**(0.78)**	**0.54**
	(ii) Diluted		**(0.78)**	**0.54**
	Significant Accounting Policies and Notes on Financial Statements	1 to 58		

As per our report of even date attached herewith

For Chandulal M. Shah & Co.
Chartered Accountants
FRN: 101698W

C. S. Panchal.

Chetan S. Panchal
Partner M. No.: 147415

Place : Ahmedabad
Date : 21/05/2022

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Sandip Mistry
Company Secretary

Place : Moti-Bhoyan
Date : 21/05/2022

SHREE RAMA MULTI-TECH LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs.in Lakhs)

Particulars	2021-22	2020-21
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations (including OCI)	**(475.65)**	361.66
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	**665.07**	767.83
Provision/(Reversal) for Bad and doubtful debts	**(1.00)**	4.24
Finance costs	**65.62**	88.16
Interest Income	**(35.52)**	(19.27)
Unreliased Exchange Difference	**(9.53)**	(9.21)
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	**0.77**	14.76
Sundry balances Written off / (back)	**(1.25)**	0.32
	208.51	**1,208.49**
Working capital adjustments:		
(Increase)/Decrease in Trade and Other Receivables	**(564.56)**	(505.10)
(Increase)/Decrease in Inventories	**(1,101.21)**	355.11
Increase/(Decrease) in Trade and Other Payables	**384.95**	(973.84)
	(1,072.31)	**84.66**
Less : Direct Taxes paid (Net of Refunds)	**(8.96)**	(6.74)
Net cash flows from/(used in) operating activities	**(1,081.27)**	**77.92**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment (including Discarded)	**8.96**	5.02
(Investment)/Maturity in Fixed Deposits	**214.04**	(24.18)
Purchase of property, plant and equipment	**(42.46)**	(113.98)
Interest received	**11.97**	19.27
Net cash flows from/(used in) investing activities	**192.51**	**(113.87)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (net)	**967.83**	115.31
Interest Paid	**(65.62)**	(88.16)
Payment of Lease Liability	**(3.89)**	(3.54)
Net cash flows from/(used in) financing activities	**898.32**	**23.61**
Net increase / (decrease) in cash and cash equivalents	**9.56**	(12.34)
Add : Cash and cash equivalents at the beginning of the year	**3.16**	15.50
Cash and cash equivalents at year end	**12.72**	3.16

As per our report of even date attached herewith

For and on behalf of the Board

For Chandulal M. Shah & Co.
Chartered Accountants
FRN: 101698W

C. S. Panchal.

Chetan S. Panchal
Partner M. No.: 147415

Place : Ahmedabad
Date : 21/05/2022

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Shailesh Desai
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Krunal Shah
Chief Financial Officer

Sandip Mistry
Company Secretary

Place : Moti-Bhoyan
Date : 21/05/2022

SHREE RAMA MULTI-TECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

a. Equity Share capital (Rs. In lakhs)

Particulars	As at 31/03/2022		As at 31/03/2021	
	Number	Rs.	Number	Rs.
Equity shares of Rs. 5 each				
Fully paid up	63,468,005	3,173.40	63,468,005	3,173.40
Add: Forfeited Share Capital	87,550	2.63	87,550	2.63
	63,555,555	3,176.03	63,555,555	3,176.03

b. Other Equity

(Rs. In lakhs)

Particulars	Reserves and Surplus						Total
	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Warrants Forfeited Account	General Reserve	Retained Earnings	
Balance at 1 st April, 2020	22825.95	333.33	4024.33	39.56	1917.87	(29852.46)	(711.42)
Total Comprehensive Income/(Loss) for the year	-	-	-	-	-	361.66	361.66
Balance at 31st March, 2021	22825.95	333.33	4024.33	39.56	1917.87	(29490.80)	(349.76)
Balance at 1 st April, 2021	22825.95	333.33	4024.33	39.56	1917.87	(29490.80)	(349.76)
Total Comprehensive Income/(Loss) for the year	-	-	-	-	-	(475.65)	(475.65)
Balance at 31st March, 2022	22825.95	333.33	4024.33	39.56	1917.87	(29966.45)	(825.41)

Gain of Rs. 16.58 lakhs and Rs. 18.36 lakhs on remeasurement of defined employee benefit plans is recognised as a part of retained earnings for the years ended March 31, 2022 and 2021 respectively.

As per our report of even date attached herewith

For Chandulal M. Shah & Co.
Chartered Accountants
FRN: 101698W

C. S. Panchal.

Chetan S. Panchal
Partner M. No.: 147415

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 21/05/2022

For and on behalf of the Board

Shailesh Desai
Managing Director
(DIN: 01783891)

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K. C. Shah

Krunal Shah
Chief Financial Officer

Sandip Mistry
Company Secretary

Place : Moti-Bhoyan
Date : 21/05/2022

NOTE 1 : Notes to Financial Statements

[A] Corporate Information:

The company is incorporated in India and is a leading Packaging solution provider. The Company has its wide market in local as well foreign market. The Company sells its products through established network. Its shares are listed on National Stock Exchange of India Limited and BSE Limited.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on May 21, 2022.

[B] Significant Accounting Policies:

a) Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;
2) defined benefit plans - plan assets measured at fair value;
3) assets held for sale – measured at lower of carrying amount of fair value less cost to sell

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

b) Key accounting estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

c) Fair value measurement

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

1) The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV respectively.
2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
3) The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, wherever required,, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

d) **Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

All expenditure incurred towards fixed assets including expenditure incurred during construction / new projects are accumulated and shown as capital work in progress and not depreciated until such assets are ready for commercial use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant and machinery which based on an independent technical evaluation, life has been estimated as 20 years (on multiple shift basis) and for cylinders life has been estimated as 5 years, which is different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Factory Building	30 years
Non- Factory Building	60 years
Plant and Machinery	5/15/20 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

e) Intangible Assets

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Inventories

Items of inventories of Raw Material, Finished goods, Spares and Stores, Packing Material & Fuel are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow-moving and defective inventories are identified by management and wherever necessary, provision is created for such inventories.

h) Financial instruments

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

iii. **De-recognition**

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. **Off-setting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

i) **Segment Reporting:**

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to Packaging solution provider, the Company does not operate in more than one business segment.

j) **Borrowings**

Borrowings are initially recognized at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities.

k) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) **Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

m) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Sales Return

The Company recognises provision for sales return, on the basis of mutual satisfaction which is measured at the Sales value excluding taxes & duties.

Other operating revenue:

Export Incentives under various schemes are accounted in the year in which right to receive is irrevocably established.

Other revenue:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Interest received on delayed payment is accounted on receipt basis.

Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.

Dividends

Dividends are generally recognised in the Statement of Profit and Loss only when the right to receive payment is established.

n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity ; and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc., are charged to the Statement of Profit and Loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

o) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are stated using the exchange rates at the dates of the initial transactions.

p) Leases

As a Lesee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

q) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

r) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Cash Flow Statement

The Cash Flow statement is prepared by the "Indirect method" set out in Ind AS-7 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash Equivalent presented in the cash flow statement consist of cash on hand and demand deposits with banks.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Financial Statements to evaluate changes in Liabilities arising from financing activities, inducing both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

t) Critical estimates and judgements :

The preparation of financial statements requires the use of accounting estimates may not match the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

u) Impairment of Assets:

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired based on internal/external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

v) Assets held for Sale:

Non-current assets held for sale are measured at the lower of its carrying value or fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

w) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

x) Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

2. Property, plant and equipment

(Rs. In lakhs)

Particular	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installation	Total
Property, Plant and Equipment								
Balance as at 31st March, 2020	**115.86**	**2,773.11**	**40,771.35**	**185.20**	**121.61**	**495.35**	**530.46**	**44,992.94**
Additions/adjustments	-	18.34	35.38	-	44.44	14.49	-	**112.65**
Disposals	-	-	110.09	-	12.80	26.69	4.79	**154.37**
Balance as at 31st March, 2021	**115.86**	**2,791.45**	**40,696.64**	**185.20**	**153.25**	**483.15**	**525.67**	**44,951.22**
Additions/adjustments	-	-	24.10	0.81	-	41.43	1.25	**67.59**
Disposals	-	-	109.27	-	6.93	77.99	-	**194.19**
Balance as at 31st March, 2022	**115.86**	**2,791.45**	**40,611.47**	**186.01**	**146.32**	**446.59**	**526.92**	**44,824.62**
Accumulated Depreciation								
Balance as at 31st March, 2020	-	**1,797.94**	**35,336.39**	**173.49**	**80.97**	**444.65**	**468.42**	**38,301.86**
Deduction & Adjustment	-	-	91.34	-	12.16	26.54	4.55	**134.59**
Depreciaton for the period	-	82.24	650.19	0.63	10.94	9.44	8.51	**761.95**
Balance as at 31st March, 2021	-	**1,880.18**	**35,895.24**	**174.12**	**79.75**	**427.55**	**472.38**	**38,929.22**
Deduction & Adjustment	-	-	103.78	-	6.58	48.73	-	**159.09**
Depreciaton for the period	-	80.79	548.28	0.52	12.40	10.31	8.29	**660.59**
Balance as at 31st March, 2022	-	**1,960.97**	**36,339.74**	**174.64**	**85.57**	**389.13**	**480.67**	**39,430.72**
Net carrying amount								
Balance as at 31st March, 2021	115.86	911.27	4,801.40	11.08	73.50	55.60	53.29	6,022.00
Balance as at 31st March, 2022	**115.86**	**830.48**	**4,271.73**	**11.37**	**60.75**	**57.46**	**46.25**	**5,393.90**

2.1 All the title deeds for the immovable properties are in the name of the Company.

CHANDULAL M. SHAH & CO. * AHMEDABAD * CHARTERED ACCOUNTANTS

3. Intangible Assets (Rs. in lakhs)

Particular	Computer Software
Gross Amount	
Balance as at 31st March, 2020	**91.42**
Additions/adjustments	26.70
Disposals	-
Balance as at 31st March, 2021	**118.12**
Additions/adjustments	(88.84)
Disposals	-
Balance as at 31st March, 2022	**29.28**
Accumulated Amortization	
Balance as at 31st March, 2020	**89.05**
Adjustments and deductions	25.37
Amortisation for the year	2.22
Balance as at 31st March, 2021	**116.64**
Adjustments and deductions	(89.08)
Amortisation for the year	0.82
Balance as at 31st March, 2022	**28.38**
Net carrying amount	
Balance as at 31st March, 2021	1.48
Balance as at 31st March, 2022	**0.90**

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

4. Investments (Rs. in lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Quoted		
(a) Investments in Equity Instruments (Value at fair value through Statement of Profit and Loss)		
800 (P.Y. 800) Equity Shares of IDBI Ltd of Rs. 10 each fully paid up	0.34	0.31
Unquoted		
Equity Shares of Subsidiary Company (measured at cost)		
26803 Shree Rama (Mauritius) Ltd. Of US $ 1/- each fully paid up	13.06	13.06
Share Application Money (Pending Allotment)	18.60	18.60
	31.66	31.66
Less : Provision for diminution in value of investment	(31.66)	(31.66)
Net Investment in Subsidiary (Refer Note No. 39)	-	-
Total	0.34	0.31

The Carrying value and market value of quoted and unquoted investments are us under:

(Rs. in lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Aggregate Carrying Value of Quoted Investments	0.34	0.31
Aggregate Market Value of Quoted Investments	0.34	0.31
Aggregate Carrying Value of Unquoted Investments	31.66	31.66
Aggregate Impairment in Value of Investments	31.66	31.66

5. Other financial assets (Non Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Security Deposit	4.73	4.91
Other Receivable	1.63	1.63
Fixed Deposits with Banks	20.14	-
Total	26.50	6.54

6. Other Non current Assets (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Capital Advances		
Considered Good	27.15	1.90
Considered Doubtful	150.00	150.00
Sub total	177.15	151.90
Less : Provision for doubtful advances	(150.00)	(150.00)
Capital Advances (net)	27.15	1.90
Other Receivable (refer note no. 49.9)	39.04	39.04
Total	66.19	40.94

7. Inventories (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Raw materials (includes Goods in transit Rs. NIL (P.Y. Rs. 29.43 lakhs)	874.32	642.79
Work in progress	1,218.13	699.94
Stores and spares	416.55	391.41
Finished goods	670.02	357.88
Packing Material	54.27	38.98
Fuel Stock	4.58	5.03
Waste	7.07	7.70
Total	3,244.94	2,143.73

For Valuation method Inventories refer Note no. 1 [B] (g)

8. Trade Receivables (Current)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Trade Receivables (unsecured)	3,007.82	2,550.68
Less : Allowances for doubtful trade receivables	(218.41)	(219.41)
Total	2,789.41	2,331.27

Refer note 48 (f) for dues from related parties

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

8.1 Ageing for trade receivables:

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	1671.77	1,124.70	0.60	0.55	15.90	8.48	2,822.00
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	185.82	185.82
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	1671.77	1,124.70	0.60	0.55	15.90	194.30	3,007.82
Less : Allowance for doubtful trade receivables							(218.41)
							2,789.41

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	1518.89	818.33	0.60	17.81	9.23	-	2,364.86
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	185.82	185.82
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	1,518.89	818.33	0.60	17.81	9.23	185.82	2,550.68
Less : Allowance for doubtful trade receivables							(219.41)
							2,331.27

9. Cash and cash equivalents (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Balances with banks	12.43	2.92
Cash on hand	0.29	0.24
Total	12.72	3.16

10. Bank balances other than mentioned in cash and cash equivalents (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Fixed Deposits with Banks *	-	234.18
Total	-	234.18

* includes Rs. Nil (P.Y. Rs. 234.18 lakhs) held as under lien against bank guarantees

11. Loans (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Unsecured, considered good		
Loans to Employees (Refer note no. 11.1 below)	1.90	1.60
Total	1.90	1.60

11.1 Details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment :

Type of Borrower	As at 31/03/2022		As at 31/03/2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	1.50	78.95%	-	0.00%
Related Parties	-	0.00%	-	0.00%

12. Other financial assets (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Interest accrued but not Due	0.49	2.56
Export benefit receivables	0.26	56.41
Total	0.75	58.97

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

13. Other Current Assets (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Advances other than capital advances		
Security Deposits	-	0.30
Other advances		
Balance with Govt. Agencies	159.67	21.60
Prepaid Expenses	20.04	22.17
Advance against Exps	0.71	0.72
Advances to suppliers	94.23	108.35
Other receivables	37.90	10.34
Total	312.55	163.48

14. Assets held for sale (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Land	15.08	15.08
Building	229.72	229.72
Electrical Installation	2.55	2.55
Gross Total	247.35	247.35

14. 1 In respect of Pondicherry unit of the Company which is not operational for last several years, the management had identified existing fixed assets (land, building and electric installation) to be not in active use. The Company is negotiating with various prospective buyers. The Company is hopeful to conclude the same in near future. Accordingly, these assets are disclosed under "assets held for sale/disposal" at lower of cost or fair market value and no depreciation has been charged to the Statement of Profit & Loss.

14.2 All the title deeds for the immovable properties are in the name of the Company.

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

15. Share Capital

15.1 Authorised Share Capital

(Rs. In lakhs)

Particular	No.	Balance as at 31/03/2022	Balance as at 31/03/2021
Equity Share Capital			
Equity shares of Face Value Rs. 5 each	200000000 (P.Y. 200000000)	10,000	10,000
Preference Share Capital			
15 % cumulative Redeemable Preference Shares of Rs. 100 each	5000000 (P.Y. 5000000)	5,000	5,000
		15,000	15,000

15.2 Issued & Subscribed Share Capital

(Rs. In lakhs)

Particular	No.	Balance as at 31/03/2022	Balance as at 31/03/2021
Equity shares			
At Beginning of the period	63555555 (P.Y. 63555555)	**3,177.78**	3,177.78
Add : Issued during the year	-	-	-
Less : Bought back during the year	-	-	-
At End of the period	63555555(P.Y. 63555555)	**3,177.78**	3,177.78

15.3 Paid up Share Capital

(Rs. In lakhs)

Particular	No.	Balance as at 31/03/2022	Balance as at 31/03/2021
Equity shares			
Equity Shares of Rs.5 each	63468005 (P.Y. 63468005)	**3,173.40**	3,173.40
Add : Forfeited share capital		**2.63**	2.63
Total		**3,176.03**	3,176.03

15.4 Details of shareholders holding more than 5% shares in the company

Name of the Equity shareholder	Balance as at 31/03/2022		Balance as at 31/03/2021	
	No.	% holding in the class	No.	% holding in the class
Nirma Industries Private Limited	**3,204,883**	**5.05%**	3,204,883	5.05%
Nirma Chemical Works Private Limited	**23,777,418**	**37.46%**	23,777,418	37.46%
Jayesh H. Patel	**3,724,158**	**5.86%**	3,724,158	5.86%

Note 15.5 Details of Promotors holding Shares in the company

Particulars	Balance as at 31/03/2022		Balance as at 31/03/2021		% Deviation
	No.	% holding in the class	No.	% holding in the class	
Nirma Industries Private Limited	3,204,883	5.05%	3,204,883	5.05%	0.00%
Nirma Chemical Works Private Limited	23,777,418	37.46%	23,777,418	37.46%	0.00%

Particulars	Balance as at 31/03/2021		Balance as at 31/03/2020		% Deviation
	No.	% holding in the class	No.	% holding in the class	
Nirma Industries Private Limited	3,204,883	5.05%	3,204,883	5.05%	0.00%
Nirma Chemical Works Private Limited	23,777,418	37.46%	23,777,418	37.46%	0.00%

15.6 All equity shares carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

16. Other Equity

(Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
a. Securities Premium Reserve	**22,825.95**	22,825.95
b. Capital Redemption Reserve	**333.33**	333.33
c. Debenture Redemption Reserve	**4,024.33**	4,024.33
d. Warrants Forfeited Account	**39.56**	39.56
e. General Reserve	**1,917.87**	1,917.87
f. Retained Earnings		
Opening Balance	**(29,490.80)**	(29,852.46)
Add/(Less) : Total Comprehensive Income/(Loss) for the year	**(475.65)**	361.66
Closing Balance	**(29,966.45)**	(29,490.80)
Total	**(825.41)**	(349.76)

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

17. Borrowings (Non Current) (Rs. In lakhs)

Non-current interest-bearing loans and borrowings from other parties	Effective interest rate	Balance as at 31/03/2022	Balance as at 31/03/2021
(A) Term loans			
Secured	14% / 15 %	**2,500.00**	2,500.00
(B) Bonds and Debentures			
Secured	15.50%	**671.86**	671.86
Secured	13.50%	**3,000.00**	3,000.00
(C) Others			
Preference Share Capital	15%	**666.67**	666.67
Total		**6,838.53**	6,838.53

Refer Note 55 for security and other information.
Refer Note 48(f) for borrowings from related parties

18. Other financial liabilities (Non Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
1 Provision for Pref. Share Dividend	**100.00**	100.00
2 Provision for Tax on Preference Share Dividend	**10.20**	10.20
3 Provision for Interest on Preference Share Dividend	**47.50**	47.50
4 Other Long-term liabilities	**3.27**	3.95
Total	**160.97**	161.65

Provison for Pre. Share Dividend treated as long term as per note no. 49.3

19. Provisions (Non Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Employee benefit expense (refer Note No. 51)	**35.49**	29.31
Provision relating to pending litigation [refer Note No. 49.1(g)]	**109.91**	109.91
Total	**145.40**	139.22

20. Borrowings (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Loans repayable on demand		
i. From banks		
Working Capital Facilities (Refer Note No. 55)	**1087.94**	120.11
Total	**1,087.94**	120.11

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

21. Trade Payables (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Total Outstanding dues of Micro and Small Enterprises	333.31	361.51
Total Outstanding dues of Creditors other than Micro and Small Enterprises	961.57	842.07
Total	1,294.88	1,203.58

For disclosure related as per MSMED Act. 2006 refer Note no. 53

21.1 Ageing for trade payables :

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
Micro and Small Enterprises	235.05	95.92	2.34	0.00	0.00	333.31
Others	861.41	91.02	0.61	7.52	1.01	961.57
Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	1096.46	186.94	2.95	7.52	1.01	1294.88

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
Micro and Small Enterprises	263.54	97.91	0.00	0.06	0.00	361.51
Others	707.86	120.07	10.35	2.13	1.66	842.07
Disputed dues – Micro and Small Enterprises		-	-	-	-	-
Disputed dues - Others		-	-	-	-	-
	971.40	217.98	10.35	2.19	1.66	1203.58

22. Other Financial liabilities (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Dues to Employees and others	122.03	144.21
Creditors for Capital Goods	1.07	0.61
Total	123.10	144.82

23. Other Current liabilities (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Others		
Advances from Customers	353.45	47.96
Statutory Dues	21.68	16.49
Other liabilities	60.96	55.53
Total	436.09	119.98

24. Provisions (Current) (Rs. In lakhs)

Particulars	Balance as at 31/03/2022	Balance as at 31/03/2021
Employee benefit expenses	10.92	19.11
Total	10.92	19.11

For disclosure pursuant to Ind AS refer Note No. 51

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

25. Revenue from operations (Rs. In lakhs)

Particulars	2021-22	2020-21
Sale of Products	**14,934.40**	13477.01
Other Operating Income		
Product design & development Income	**12.63**	4.73
Export Incentives	**4.48**	65.66
Exchange Rate Differences	**71.63**	32.73
Other Mislleaneous Operating Income	**8.33**	-
TOTAL	**15,031.47**	13,580.13

25.1 Sale of Products (Rs. In lakhs)

Name of Products	2021-22	2020-21
Plastic Laminated tubes	**7845.79**	7557.27
Speciality Packaging & Plastic Products	**6508.34**	5396.12
Others	**580.27**	523.62
TOTAL	**14934.40**	13477.01

26. Other income (Rs. In lakhs)

Particulars	2021-22	2020-21
Interest income	**11.97**	19.27
Interest on IT refund	**23.55**	-
Sundry Balance Write Back (Net)	**1.54**	-
Excess/Short Provision write back (Net)	**0.72**	-
Unrealized Gain on Investments	**0.04**	0.15
Miscellaneous Income	**4.25**	0.75
Total	**42.07**	20.17

27. Cost of materials consumed (Rs. In lakhs)

Particulars	2021-22	2020-21
Opening Stock	**642.79**	677.64
Add : Purchases	**10,908.26**	7,376.68
Sub Total	**11,551.05**	8,054.32
Less : Closing Stock	**874.32**	642.79
Total	**10,676.73**	7,411.53

28. Changes in Inventories of Finished goods, WIP and Waste (Rs. In lakhs)

Particulars	2021-22	2020-21
Closing Stock		
Finished Goods	**670.02**	357.88
WIP	**1,218.13**	699.94
Waste	**7.07**	7.70
Total	**1,895.22**	1,065.52
Opening Stock		
Finished Goods	**357.88**	711.47
WIP	**699.94**	708.17
Waste	**7.70**	10.60
Total	**1,065.52**	1,430.24
Total (Increase) / Decrease In Stock	**(829.70)**	364.72

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

29. Employee benefits expense (Rs. In lakhs)

Particulars	2021-22	2020-21
Salaries and wages	**1530.06**	1,490.83
Contribution to provident and other funds (refer Note No. 51)	**33.07**	30.22
Staff welfare expenses	**24.96**	20.32
Total	**1588.09**	1,541.37

30. Finance costs (Rs. In lakhs)

Particulars	2021-22	2020-21
Interest expense	**59.29**	74.52
Bank Charges and Commission	**6.33**	11.53
Loan Processing Charges & Corporate Guarantee fees	**-**	2.11
Total	**65.62**	88.16

31. Depreciation and Amortisation expense (Rs. In lakhs)

Particulars	2021-22	2020-21
Depreciation on Property, Plant & Equipment	**660.59**	761.95
Amortization of Intangible Assets	**0.82**	2.22
Amortization of Right of use Assets	**3.66**	3.66
Total	**665.07**	767.83

32. Other expenses (Rs. In lakhs)

Particulars	2021-22	2020-21
Consumption of stores and spare parts	**274.97**	349.28
Power and fuel	**904.49**	907.50
Job Work Charges	**374.74**	292.30
Repairs to buildings	**102.74**	56.49
Repairs to machinery	**30.29**	45.92
Repair to others	**17.39**	11.57
Packing Material Consumed	**559.20**	393.50
Freight & Forwarding Exps.	**605.84**	501.00
Selling Overheads	**79.20**	80.65
Insurance	**65.94**	65.40
Rates and taxes (excluding taxes on income)	**13.27**	28.85
Travelling Expenses	**57.54**	39.48
Legal & Professional Charges	**115.71**	115.25
(Profit)/Loss on Sale/Discard of Property, Plant and Equipment	**0.77**	14.76
Provision for Doubtful Debts	**-**	4.24
Sundry Balance Written off (net)	**-**	0.30
Auditor's Remuneration (refer Note No. 32.1)	**4.50**	4.50
Other Expenses	**193.37**	172.40
Total	**3,399.96**	3,083.39

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

32.1 Auditor Remuneration & Others (Rs. In lakhs)

Particulars	2021-22	2020-21
As auditor :		
Audit Fee	**4.50**	4.50
Total	**4.50**	4.50

33. Earning Per Share

Earning Per share is calculated by dividing the Profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

Particulars	2021-22	2020-21
Profit/(Loss) for the year (Rs. In Lakhs)	**(492.23)**	343.30
Net Profit/(Loss) attributable to Equity Shareholders (Rs. In Lakhs)	**(492.23)**	343.30
Number of Equity Shares for Basic EPS	**63,468,005**	63,468,005
Add : Diluted Potential Equity Shares	**0.00**	0.00
Number of Equity Shares for Diluted EPS	**63,468,005**	63,468,005
Basic Earning Per Share (Rs.)	**(0.78)**	0.54
Diluted Earning Per Share (Rs.)	**(0.78)**	0.54
Nominal Value Per Share	**5.00**	5.00

34 The Code on Social Security, 2020 ('Code') relating to employee benefits during employement and post-employement benefits received Presidential assent in September 2020. The Code has been published in the Gazettle of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

35 In expectation of a positive outcome of settlement and compromise with lenders, the accounts have been prepared on "Going Concern" basis. (Refer note no. 49.5 related to scheme with lenders.)

36 In view of carried forward business losses and depreciation in the books, the company is not liable for Income Tax Liability under section 115JB for Minimum Alternative Tax.

37 In view of the Accumulated loss, no transfer has been made to the Debenture Redemption Reserves in respect of Secured and Unsecured Debentures.

38 In view of the accumulated loss, no amount is transferred to Capital Redemption Reserve in respect of preference shares.

39 The company has made investment of Rs. 13.06 lakhs into equity shares and Rs. 18.60 lakhs in share application money in Shree Rama (Mauritius) Limited, its wholly owned subsidiary company. The resident directors & key managerial personnel of the said WOS had resigned in the year 2005-06 and audited accounts for the year ended 30th September 2003 and onwards could not be prepared. Its present status is shown as 'defunct' under respective laws. The company has made full provision for diminution in the value of investment in equity and share application money in earlier years.

In view of the above, it was not possible to prepare consolidated financial statements as required by Ind AS 110 issued by ICAI, and other provisions of the Companies Act, 2013.

40 Disclosure in terms of Regulation 34(3) of SEBI (LODR) Regulations, 2015:

Sr. No.	In the Accounts of Company	Disclosures of amounts at the year/period end and the maximum amount of loans/ advances/ Investments outstanding during the year/period.	Remarks
1	Holding Company	Loans and advances in the nature of loans to subsidiaries By name and amount. Loans and advances in the nature of loans associates By name and amount Loans and advances in the nature of loans to Firms / Companies in which directors are interested By name and amount	NIl Refer note no. 39 NIL NIL
2	Subsidiary Company	Same disclosures as applicable to the parent company in the Accounts of subsidiary company.	N.A.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	N.A.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

41 Borrowing based on security of current assets

Details of quarterly returns or statements of current assets filed by the Company with bank:

(Rs. In lakhs)

Month	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return/statement	Amount of difference	Reason for material discrepancies
Jun-21	RBL Bank Ltd	Stock + Debtors	4941.92	4604.69	337.23	Mainly due to change in the basis of valuation of inventories, due to exchange rate effects and the difference etc. during the course of limited review/audit.
Sep-21	RBL Bank Ltd	Stock + Debtors	5109.87	5312.88	-203.01	
Dec-21	RBL Bank Ltd	Stock + Debtors	5991.84	5776.85	214.99	
Mar-22	RBL Bank Ltd	Stock + Debtors	5968.43	5444.97	523.46	

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

42 Financial Instruments - Fair Values & Risk Management

Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.

Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

III. **Figures as at March 31, 2021**

(Rs. In lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortized cost:			
Security Deposits (Non-Current)	-	-	-
Trade Receivables	2,331.27	-	2,331.27
Cash and Cash Equivalents	3.16	-	3.16
Bank Balances Other than Cash and Cash Equivalents	234.18	-	234.18
Other Non Current Financial Assets	6.54	-	6.54
Other Current Financial Assets	60.57	-	60.57
TOTAL	**2,635.72**	-	**2,635.72**
Financial assets at fair value through profit or loss:			
Investments (Non-Current)	0.31	0.31	-
TOTAL	**0.31**	**0.31**	-
Financial liabilities at amortized cost:			
Borrowings (Non-Current)	6,838.53	-	6,838.53
Borrowings (Current)	120.11	-	120.11
Trade Payables (Current)	1,203.58	-	1,203.58
Other financial liabilities (Non Current)	161.65	-	161.65
Other financial liabilities (Non Current)	144.82	-	144.82
Lease liabilities (Non Current)	1.38	-	1.38
Lease liabilities (Current)	3.89	-	3.89
TOTAL	**8,473.96**	-	**8,473.96**

IV. **Figures as at March 31, 2022**

(Rs. In lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortized cost:			
Security Deposits (Non-Current)	-	-	-
Trade Receivables	2,789.41	-	2,789.41
Cash and Cash Equivalents	12.72	-	12.72
Bank Balances Other than Cash and Cash Equivalents	-	-	-
Other Non Current Financial Assets	26.50	-	26.50
Other Current Financial Assets	2.65	-	2.65
TOTAL	**2,831.28**	-	**2,831.28**
Financial assets at fair value through profit or loss:			
Investments (Non-Current)	0.34	0.34	-
TOTAL	**0.34**	**0.34**	-
Financial liabilities at amortized cost:			
Borrowings (Non-Current)	6,838.53	-	6,838.53
Borrowings (Current)	1,087.94	-	1,087.94
Trade Payables (Current)	1,294.88	-	1,294.88
Other financial liabilities (Non Current)	160.97	-	160.97
Other financial liabilities (Non Current)	123.10	-	123.10
Lease liabilities (Non Current)	-	-	-
Lease liabilities (Current)	1.38	-	1.38
TOTAL	**9,506.80**	-	**9,506.80**

No financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

43 Credit Risk Management

As per Ind AS 109, we have adopted a policy for assessing credit risk as per expected credit loss model foroutstanding balances as on balance sheet date, based on the past performance and by assessing overallcreditworthiness of debtors we arrived at the following rate to be provided on closing debtors as per their ageing bucket:

Ageing of Account Receivables

(Rs. In Lakhs)

Particulars	31/03/2022		31/03/2021	
	% of provision	Provision for doubtful debts	% of provision	Provision for doubtful debts
1-90 Days	0.50%	12.03	0.50%	10.29
91-180 Days	3.00%	11.72	3.00%	7.03
181-365 Days	15.00%	0.09	15.00%	6.68
More than 365 Days	35.00%	8.75	35.00%	9.59
Litigation	100.00%	185.82	100.00%	185.82
Total		**218.41**		**219.41**

Expected Credit Loss for Debtors

(Rs. In Lakhs)

Particulars	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Debtors (31.03.2022)	**3,007.82**	**218.41**	**2,789.41**
Debtors (31.03.2021)	2,550.68	219.41	2,331.27

Reconciliation of loss allowance provision

(Rs. In Lakhs)

Reconciliation of Loss Allowance	Loss allowance measured at Life time Expected Losses	
	31/03/2022	31/03/2021
Loss allowance as on Opening Date	219.41	215.17
Changes due to provision for the year as per matrix	(1.00)	4.24
Modification of contractual cash flow that did not result in derecognition	Nil	Nil
Change in risk Parameters	Nil	Nil

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

44 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturity Pattern of Financial Liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings	-	-	6,838.53	6,838.53	-	-	6,838.53	6,838.53
Short term borrowings	1,087.94	-	-	1,087.94	120.11	-	-	120.11
Trade Payable	1,294.88	-	-	1,294.88	1,203.58	-	-	1,203.58
Payable related to Capital Goods	1.07	-	-	1.07	0.61	-	-	0.61
Other Financial liability (Current and Non Current)	123.41	160.97	-	284.38	148.10	163.03	-	311.13
Total	2,507.30	160.97	6,838.53	9,506.80	1,472.40	163.03	6,838.53	8,473.96

45 Market Risk Management

(a) Foreign Currency Risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$, EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(i) Foreign currency risk exposure

(Foreign Currency In lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	USD	USD
Financial Assets	6.54	7.24
Financial Liabilities	1.15	1.41
Net Exposure	5.39	5.83

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

(ii) Sensitivity Analysis

(Rs. In lakhs)

Particulars	Impact on PAT				Impact on other components of equity			
	31/03/2022		31/03/2021		31/03/2022		31/03/2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD Sensitivity (5% sensitivity)	23.91	(23.91)	21.34	(21.34)	23.91	(23.91)	21.34	(21.34)

(b) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The Company policy is mainly to maintain its borrowings at fixed rate. As on 31st March 2022 and 31st March 2021, the company's borrowings at variable rate were denominated in INR.

The company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(i) Interest rate risk exposure

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Variable Rate borrowings		
1. Working Capital Term Loan	-	-
2. Cash Credit Facility	1,087.94	120.11

(ii) Sensitivity Analysis

(Rs. In lakhs)

Particulars	Impact on PAT		Impact on PAT		Impact on other components of equity			
	31/03/2022		31/03/2021		31/03/2022		31/03/2021	
A change of 50 bps interest rates	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(5.44)	5.44	(0.60)	0.60	(5.44)	5.44	(0.60)	0.60

(c) Price Risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss having carrying amount of Rs. 0.34 Lakhs as on 31/03/2022 and Rs. 0.31 Lakhs as on 31/03/2021.

Sensitivity

(Rs. In lakhs)

Particulars	Impact on PAT		Impact on PAT		Impact on other components of equity			
	31/03/2022		31/03/2021		31/03/2022		31/03/2021	
Price risk sensitivity at 5%	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

46 **Capital Management**

The company's objectives when managing capital are to

a. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b. Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

Gearing Ratio (Rs. In lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings	**7,926.47**	6,958.64
Less: Cash & Cash Equivalents	**12.72**	3.16
Net Debt (A)	**7,913.75**	6,955.48
Total Equity	**2,350.62**	2,826.26
Equity and Net Debt (B)	**10,264.36**	9,781.76
Gearing Ratio(A/B) %	**77.10%**	71.11%

47 **Income Taxes**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Current Tax	-	-
Deferred Tax		
(Increase)/Decrease in deferred tax asset	-	-
Increase/(Decrease)in deferred tax liability	-	-
Total Income Tax Expenses	0.00	0.00

Effective Tax rate :

Consequent to reconciliation items shown above, the effective tax is Nil for both the years

Current Tax Asset

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Income Tax asset/(liability) at the beginning of the reporting period	**318.65**	311.91
Income Tax paid/(refund)/(written off)	**32.51**	6.74
Net Current Income Tax Asset/(liability) at the end of the period	**351.16**	318.65

Reconciliation of current tax expenses & accounting profit multiplied by Tax Rate

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Profit before Tax	**(492.23)**	**343.30**
Statutory Tax Rate (%)	**26%**	26%
Tax at statutory tax rate	-	89.26
Adjustments for carried forward losses and others	-	(89.26)
Income Tax Expenses	**NIL**	**NIL**

Deferred Tax Assets/ (Liabilities)

In the absence of any documentary evidence supporting possibility of future taxable income which will be utilized for reversal of temporary difference and considering prudence, deferred tax assets are recognised only to the extent of deferred tax liability recognised in the books and accordingly, deferred tax asset/liability is NIL as on 31/03/2022 and 31/03/2021.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

48 **Related Party Transactions:**

(a) **Promoters having control over the company**

Sr No.	Name Of the Related Party	Transaction entered during the year (Yes/No)
1	Nirma Chemical Works Private Limited	No
2	Nirma Industries Private Limited	No

(b) **Key Managerial Personnel**

Executive Directors:

Sr No.	Name Of the Related Party	Nature of Relationship	Transaction entered during the year (Yes/No)
1	Mr. Shailesh K. Desai	Managing Director	Yes
2	Mr. Hemal R. Shah	Whole Time Director	Yes

Non-Executive Directors

Sr No.	Name Of the Related Party	Nature of Relationship	Transaction entered during the year (Yes/No) *
1	Mr. Pathik C. Shah	Independent Director	Yes
2	Ms. Vandana C. Patel	Non Executive Director#	Yes
3	Mr. Shalin S. Patel	Independent Director	Yes
4	Mr. Mittal K. Patel	Non-Independent Director	Yes

* Sitting Fees paid for attending Board Meetings during the year

\# Ms. Vandana C. Patel resigned from the designation of Independent Director with effect from 16.12.2021 and continue as Non-Executive Director liable to retire by rotation on the Board of the Company.

Executive Officers

Sr No.	Name Of the Related Party	Nature of Relationship	Transaction entered during the year (Yes/No)
1	Mr. Krunal G Shah	Chief Financial Officer	Yes
2	*Mr. Purvang Trivedi	Company Secretary	No
3	#Mr. Sandip Mistry	Company Secretary	Yes

* Mr. Purvang Trivedi had resigned from the post of Company Secretary w.e.f December 22,2020

\# Mr. Sandip Mistry had been appointed as Company Secretary w.e.f January 4, 2021

(c) **Subsidiary:**

Name Of the Related Party	Nature of Relationship	Transaction entered during the year (Yes/No)
Shree Rama (Mauritius) Limited*	Wholly Owned Subsidiary	No

*The current status of the WOS is defunct

(d) **i) Entities over which Promoters/ Key Managerial Personnel identified above exercise control/ significant influence/ are interested or concerned and with which transactions have taken place :**

Sr No.	Name Of the Related Party	Nature of Relationship	transaction entered during the year (Yes/No)
1	Aculife Healthcare Private Limited	Entities over which Promoters identified above exercise control/significant influence	Yes
2	Hi-Scan Private Limited	Entities over which Key Managerial Personnel identified above has interest or concern	Yes
3	Travel Diaries	Entities over which Key Managerial Personnel identified above has interest or concern	Yes
4	Heer Nihar Desai	Entities over which Key Managerial Personnel identified above has interest or concern	Yes

ii) Entities which are related to Promoters identified above and with which transactions have taken place/ having outstanding balances:

Sr No.	Name Of the Related Party	transaction entered during the year (Yes/No)
1	Nirma Limited	Yes
2	Nirma Credit & Capital Private Limited	No

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

(e) **Disclosure Of Related Party Transactions**

(Rs. In lakh)

Sr No.	Particulars	2021-22	2020-21
1	**Purchase of goods and services**		
	Nirma Limited	10.77	4.09
	Hi Scan Private Limited	4.86	-
	Travel Diaries	4.83	0.20
	Aculife Healthcare Private Limited	257.67	248.30
	Heer Nihar Desai	0.50	-
	TOTAL	**278.63**	**252.59**
2	**Sale of goods and Services**		
	Nirma Limited	4.20	-
	Aculife Healthcare Private Limited	7.36	6.65
	Hi Scan Private Limited	-	(0.38)
	TOTAL	**11.55**	**6.27**
3	**Corporate Guarantee Charges**		
	Nirma Limited	-	1.01
	TOTAL	**-**	**1.01**
4	**Remuneration paid to KMP***		
	Short Term Employee Benefits		
	Mr. Shailesh K. Desai	70.00	70.00
	Mr. Hemal R. Shah	24.00	19.56
	Mr. Krunal G. Shah	13.58	12.69
	Mr. Purvang Trivedi	-	4.16
	Mr. Sandip Mistry	27.68	6.66
	TOTAL	**135.26**	**113.07**
	Adavane paid against Salary to KMP		
	Mr. Sandip Mistry	4.50	-
		4.50	-
	Adavane received back against Salary from KMP		
	Mr. Sandip Mistry	3.00	-
		3.00	-
	Sitting Fees		
	Mr. Pathik C. Shah	0.75	0.75
	Mrs. Vandana C. Shah	0.60	0.30
	Mr. Shalin S. Patel	0.75	0.75
	Mr. Mittal K. Patel	0.75	0.75
	TOTAL	**2.85**	**2.55**

* Remuneration does not include the provisions made for gratuity, as they are determined on an actuarial basis for the company as a whole.

(f) **Amount due to/from Related Parties :**

(Rs. In lakhs)

Sr . No.	Particulars	As at 31-03-2022	As at 31-03-2021
1	**Accounts Receivable**		
	Refered in 48 (d) above	**3.25**	3.05
2	**Accounts payable**		
	Refered in 48 (d) above	**36.49**	59.57
	Key Management Personnel	**10.98**	10.28
3	**Advance Receivable**		
	Key Management Personnel	**1.50**	-
4	**Loan**		
	Promoters having control over company	**2,500.00**	2,500.00
5	**Non-Convertible Debentures**		
	Refered in 48 (d) above	**194.50**	194.50
	Promoters having control over company	**3,477.36**	3,477.36

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

49 Contingent Liabilities & Contingent Assets:

49.1 Contingent Liabilities:

(Rs. In lakhs)

Sr No.	Particulars	2021-22	2020-21
a.	Dividend on 666666 15% Redeemable Cumulative Preference Shares till date (Note No. 49.3 below)	**300.00**	300.00
b.	Interest on loans and debentures (Note No. 49.6 below)	**17,247.37**	16,392.65
c (i)	Corporate guarantee given to the Banks for term loan of Rs 400.00 Lakhs. (Note No. 49.2 below)	**400.00**	400.00
(ii)	Bank Guarantee given to UGVCL, Sabarmati Gas Ltd and Custom Authority	**184.11**	175.96
d.	Pending case for proceeding u/s 138 of Negotiable Instruments Act (Note No.49.4 below)	**200.00**	200.00
e.	Penalty levied u/s 271(1)(c) of the Income Tax Act for different years against which, decision of ITAT favourd in Company expect Rs. 71.27 lakhs and aggreived by it, Revenue filed Tax Appeal before Hon'ble High Court of Gujarat and matter is pending	**1,147.79**	1,147.79
f.	Disputed matters in respect of Excise and Service Tax (Note no. 49.10 below)	**273.63**	273.63
g.	Claims against the Company not acknowledged as debts in respect of HR related cases	**37.62**	37.62
h.	In respect of office premises at Mumbai taken on Leave & License from KSL (**"Khandwala Securities Limited"**), the appeal before the appellate court against the order of Small Cause Court was dismissed by the Hon'ble court on 16-12-2017. The company had filed a Civil Revision Application (CRA) before Hon'ble High Court of Mumbai against the order of appellate court. However, Hon'ble High Court of Mumbai had vide its order dated 14th October, 2019 disposed of CRA. The company had preferred also the Special Leave Petition (SLP) before Honorable Supreme Court against the order of Hon'ble High Court of Mumbai which was also dismissed by Honorable Supreme Court on 28/02/2020. The company has provided for Rent after adjusting outstanding amount of deposit of KSL in books of accounts in F.Y. 2019-20. However, upon review of the order, the company is under process to take the appropriate action as Hon'ble Supreme Court disposed the SLP with liberty as permissible under the law. The provision related to interest would be given in the books after considering the appropriate action adopted by the company.		

49.2 Andhra bank Ltd. has filed suit in Debt Recovery Tribunal against East West Polyart Ltd. as Principal Debtor and the Company as a guarantor and Recovery Officer has demanded Rs. 933.34 lakhs (net of Recovery already made and including interest). Review Application filed by the Company against Demand Notice has been admitted by Debt Recovery Tribunal, Ahmedabad.

49.3 (a) In respect of 10,00,000 15% Cumulative Preference Shares of Rs.100/- each which were redeemable in three equal installments at the end of third, fourth and fifth year from 30th March, 1998. 3,33,334 Preference Shares being first installment were redeemed on 30th March, 2001. The remaining 6,66,666 Preference Shares are yet to be redeemed.

(b) The Company has declared and provided in books dividend of Rs. 100 lakhs for the year 2000-01 on 666666 15% Redeemable Preference Shares. In view of the pending approval of the scheme from Hon'ble High court of Gujarat, the Company had not reversed the said provision and also not transferred the said amount to Investor Education and Protection Fund. However, the Hon'ble High Court of Gujarat has dismissed an O J Appeal and the Company has filed Review Application on 02/11/2020 before Hon'ble High Court of Gujarat against the order. Hence, the Company has not reversed the said provision and also not transferred the said amount to IEPF.

49.4 The lenders holding post-dated cheques have initiated action u/s. 138 of the Negotiable Instruments Act, 1881 for Rs. 200 lakhs. In respect of other lenders who has initiated actions u/s 138 has settled dues under OTS and necessary withdrawal petition are under process.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

49.5 The company had filed the scheme of Arrangement and Compromise with the Financial Institutions / Banks and Shareholders on 17/07/08 bearing petition No. 401/2008 and it is approved by majority of Shareholders and lenders in the meeting held on 27/08/2008 and 30/08/2008 respectively. The said scheme was dismissed by the single bench of Hon'ble High Court of Gujarat. The Company had filed an O.J appeal against the order of single bench in petition of the scheme of compromise and arrangement u/s 391 of the Companies Act, However, the Hon'ble High Court of Gujarat has passed an order on 20th February, 2020, whereby the O.J. Appeal filed by the Company against the order of single bench of Hon'ble High Court of Gujarat has been dismissed. The Company has filed Review Application on 02/11/2020 before Hon'ble High Court of Gujarat against the order.

49.6 In respect of loans and debentures aggregating to Rs.6171.86 lakhs which are under settlement as per scheme, the company has not provided interest of Rs. 854.72 lakhs (Previous Year Rs. 854.72 lakhs) on the same for the year ending on 31st March, 2022. Therefore, loss of the year would have been increased by Rs 854.72 lakhs. The accumulated interest not provided for up to 31st March, 2022 is Rs. 17247.37 lakhs (Previous Year Rs. 16392.65 lakhs).

49.7 The Company has entered into a Settlement Agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before 31st July, 2022 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by 31st July, 2022 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed with the lenders/Preference Shareholder.

49.8 In respect of Tax assessments for A.Y. 2012-13 & 2013-14, the income tax department has made additions or disallowances amounting to Rs. 18372.87 lakhs in respect of treatment of gain arising on settlement /waiver of loans and for other matters which has resulted into reduction of carried forward losses under income tax Act, against which company has filed appeal before ITAT.

49.9 The Company had raised the claim of Rs. 50.49 lakhs to jobber, Futuristic Packaging Private Limited. towards loss due to rejection of materials from our vendors. The Company had filed summary suit for recovery of money before City Civil Court, Ahmedabad. Further, in respect of another entity of the same group (Futuristic Marketing Solutions), the Company has held payable amount of Rs. 11.45 lakhs due to quality issue. The said party has filed the summary suit for the recovery of the money against the Company. The Company has disclosed net amount of Rs. 39.04 lakhs under the head "Other Non Current Assets".

49.10 (i) The Excise Department had raised demand for Accounting Year 2004-05 by denying CENVAT Credit of Rs. 131.45 lakh in respect of Raw Material used for new Plant in the Trial Run and also imposed the penalty of Rs. 131.45 lakhs against which the Company has filed an Appeal before CESTAT and it has allowed the Company's Appeal. The Department has filed an Appeal against the said Order in the High Court which is pending for Final Hearing.

(ii) The Central GST Division, Kalol has also raised Demand for Rs. 10.73 lakh and also imposed interest for audit of Excise for the period March, 2014 to March, 2016 against which the Company has filed an Appeal to the Commissioner and matter is remanded back to the Assessing Officer for fresh Adjudication.

In view of the facts and positive outcome, the Management is of the view that no any provisions is required for the above.

50 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Property, Plant & Equipment	**87.33**	5.38

51 Employee Benefits

51.1 Defined Contribution Plan

(Rs. In lakhs)

Particulars	2021-22	2020-21
Contribution to Provident Fund	**22.68**	20.36

CHANDULAL M. SHAH & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

51.2 **Defined Benefits Plan**

(A) **Leave encashment:**

The leave encashment are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

1) **Liability recognized in the Balance Sheet**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Company's Net liability recognized in the Balance Sheet	46.43	48.43

2) **Assumptions**

Particulars	31/03/2022	31/03/2021
Approach Used	Projected units credit method	
Salary Escalation	7.00%	7.00%
Discount rate	7.06%	6.72%
Attrition Rate	14.15%	14.15%

(B) **Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Balance sheet disclosures

1) **Movements in the defined benefit obligation over the period:**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Liability at the beginning of the period	91.77	99.44
Interest Costs	6.33	6.60
Current Service Costs	11.77	9.77
Prior Service Costs	0.00	0.00
Benefits paid	(4.31)	(2.54)
Transfer In	3.39	0.00
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	0.00	0.00
- Financials	(2.11)	(13.98)
- Experience	(10.29)	(7.51)
Liability at the end of the period	96.55	91.77

2) **Movements in the fair value of plan assets**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Fair value of plan assets at the beginning of the period	101.93	97.71
Expected interest income on plan assets	7.80	6.59
Contributions	21.34	3.30
Transfer in/Acquisitions	3.39	0.00
Benefits paid	(4.31)	(2.54)
Actuarial Gain/(Loss)	4.17	(3.13)
Fair value of plan assets at the end of the period	134.32	101.93

3) **Net liability disclosed above relates to**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Fair value of plan assets at the end of the period	134.32	101.93
Liability as at the end of the period	(96.55)	(91.77)
Net Liability/Asset	37.77	10.15

4) **Balance Sheet Reconciliation**

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Net Balance Sheet Liability/(Asset) at the beginning of the year	10.15	(1.73)
--Amount recognized in Accumulated OCI at the beginning of the period	(27.42)	(9.06)
-Expenses recognized in the statement of P&L	(10.30)	(9.77)
--Expenses recognized in the OCI at the end of the period	44.00	27.42
--Employer's Contribution	21.34	3.30
Net Balance Sheet Liability/(Asset) at the end of the year	37.77	10.15

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

5) Profit & Loss Disclosures

(i) Net Interest Cost for Current Period (Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Interest Cost	6.33	6.60
Interest Income	(7.80)	(6.59)
Net Interest Cost	(1.47)	0.01

Expenses recognised in the profit & loss (Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Net Interest Cost	(1.47)	0.01
Current Service Cost	11.77	9.77
Past Service Cost	0	0
Expenses recognized in the profit & loss	10.31	9.78

Amount recognized in OCI (Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Actuarial Loss/(Gain) on DBO	(12.40)	(21.49)
Actuarial Loss/(Gain) on Assets	(4.17)	3.13
Amortization Actuarial Loss/(Gain)	-	0.00
Net Increasing in OCI	(16.58)	(18.36)

6) Sensitivity Analysis

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Projected Benefit obligation on current assumptions	96.55	91.77
Data effect of 1% change in Rate of		
-Discounting	90.37	85.51
-Salary Increase	103.23	98.56
-Employee Turnover	96.13	91.19
Data effect of (-1%) change in Rate of		
-Discounting	103.52	98.87
-Salary Increase	90.53	85.69
-Employee Turnover	97.02	92.41

7) Expected cash flow and duration of the plan

(Rs. In lakhs)

Particulars	31/03/2022	31/03/2021
Weighted average duration of DBO	7.92	10.14
Expected total benefit payments		
Year 1	7.25	14.37
Year 2	6.9	5.50
Year 3	5.19	4.82
Year 4	4.93	4.33
Year 5	5.48	3.89
Next 5 years	26.52	23.84

8) Significant Actuarial Assumptions

Particulars	31/03/2022	31/03/2021
Discount Rate	7.06%	6.72%
Rate of return on Plan Assets	7.06%	6.72%
Salary Escalation	7.00%	7.00%
Attrition Rate	14.15%	14.15%

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

52 Disclosure under Ind AS 116 - Leases

52.1 Lease liabilities included in financial statements

(Rs. In Lakhs)

Particulars	31/03/2022	31/03/2021
Current	1.38	3.89
Non-Current	0.00	1.38

52.2 The following are the amounts recognised in profit or loss:

(Rs. In Lakhs)

Particulars	31/03/2022	31/03/2021
Amortization of Right-of-Use Assets	3.66	3.66
Interest expense on lease liabilities	0.33	0.69
Total amount recognised in profit or loss	4.00	4.35

52.3 Maturity Analysis of the undiscounted cash flow of the lease liabilities

(Rs. In Lakhs)

Particulars	31/03/2022	31/03/2021
Less than one year	1.41	4.22
One to Five years	-	1.41
More than Five years	-	-
Total	1.41	5.63

52.4 Movement in Right of Use Assets

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Opening Balance	4.88	8.54
Addition during the year	-	-
Amortization for the year	3.66	3.66
Closing Balance	1.22	4.88

53 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. The principal amount remaining unpaid to any supplier as at the end of each accounting year;	333.31	361.51
b. The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006;	4.24	18.67
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.20	0.52
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	60.96	55.53

The above disclosure has been prepared based on confirmation received for year ended March 31, 2022.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Note 54 Key Ratios

Sr. No	Ratio	Ratio as on 31st March 2022	Ratio as on 31st March 2021	% Deviation
1	**Current Ratio**			
	Current Assets / *Current Liabilities*	2.15	3.06	-29.70%
2	**Debt-to-equity Ratio**			
	Total Outside Liabilities / *Equity*	4.30	3.10	38.74%
3	**Debt Service Coverage Ratio**			
	Earnings Available for Debt Servicing / *Interest and Lease Payment Installments*	3.44	13.24	-74.00%
4	**Return on Equity Ratio**			
	Net Profit After Tax / *Average Shareholder's Equity*	-19.02%	12.98%	-246.54%
5	**Inventory Turnover Ratio**			
	Sales / *Average Inventory*	5.54	5.81	-4.53%
6	**Receivables Turnover Ratio**			
	Net Credit Sales / *Average Accounts Receivable*	5.83	6.44	-9.48%
7	**Payables Turnover Ratio**			
	Net Credit Purchases / *Average Trade Payables*	8.73	6.18	41.29%
8	**Net capital turnover Ratio**			
	Net Sales / *Working Capital*	4.38	4.05	8.11%
9	**Net profit ratio**			
	Proift After Tax / *Net Sales*	-3.30%	2.55%	-229.39%
10	**Return on Capital employed Ratio**			
	EBIT / *Capital Employed*	-4.15%	4.41%	-194.18%
11	**Return on investment Ratio**			
	Market value at the end of the year - Market Value at the beginning of the year / *Market Value at the beginning of the year*	12.19%	100.52%	-87.87%

Explanations

1 Current ratios has been decreased as compared to previous financial year due to increase in working capital facilities from bank during the current year.

2 Debt to equity ratio has been increased as compared to previous financial year due to (i) increase in working capital facilites from bank and (ii) loss during current year as compared to profit in last year.

3 Debt service coverage ratio has been decreased as compared to previous financial year due to loss incurred in current financial year as compared to previous year's profit.

4 Return on equity ratio has been decreased as compared to previous financial year due to loss incurred during current year.

7 Payable turnover ratio has been increased due to timely payments to vendors and efficient fund manangment

9 Net profit ratio has been decreased as compared to previous year due to loss incurred in current financial year due to prices of raw material hikes tremendously which impact our operating margin drastically as compared to previous financial year.

10 Return on capital employed has been decreased as compared to previous year due to loss incurred in current financial year as compared to previous financial year.

11 Return on investment ratio has been decreased due to market value of investments in current year is not in line with increased in previous year

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

55 **Information Concerning Classification of Securities**

I. **Term Loan : Rs 2500 Lakhs – Nirma Chemical Works Pvt. Ltd. (NCWPL)**

Particulars	31/03/2022	31/03/2021
Current Financial Asset - First Charge - Floating Charge Non Financial Asset - First Charge - Floating Charge	**No Charge**	**No Charge**
Non Current First Charge	**1. Movable properties** First charge on the whole of the movable fixed assets. Etc. both present and future including movables as described in schedule III of DOH **2. Immovable properties** First charge on the whole of the immovable properties situatedat Village Moti Bhoyan & Pondichery	**1. Movable properties** First charge on the whole of the movable fixed assets. Etc. both present and future including movables as described in schedule III of DOH **2. Immovable properties** First charge on the whole of the immovable properties situatedat Village Moti Bhoyan & Pondichery
Total assets pledged as security	**Rs 2500.00 Lakhs**	**Rs 2500.00 Lakhs**

Rate of interest 14% and 15% on Rs. 1442.00 lakhs and Rs. 1058.00 lakhs respectively on above term loans and the company has defaulted in repayment of above loans since 2002-03.

II. **Debentures: Rs. 3000 Lakhs -Axis Trustee Services Limited**

Particulars	31/03/2022	31/03/2021
Current Financial Asset - First Charge - Floating Charge Non Financial Asset - First Charge - Floating Charge	**No Charge**	**No Charge**
Non Current First Charge	**1. Movable properties** First charge on the whole of the movable properties including movable plant & machinery, spares, tools, accessories & other movable both present and future situated at Moti Bhoyan & Pondicherry **2. Immovable properties** First charge on the whole of the immovable properties situated at Village Moti Bhoyan.	**1. Movable properties** First charge on the whole of the movable properties including movable plant & machinery, spares, tools, accessories & other movable both present and future situated at Moti Bhoyan & Pondicherry **2. Immovable properties** First charge on the whole of the immovable properties situated at Village Moti Bhoyan.
Total assets pledged as security	**Rs 3000.00 Lakhs**	**Rs 3000.00 Lakhs**

Rate of interest 13.50% on above debentures and the company has defaulted in repayment of above debentures since 2002-03

III. **Debentures: Rs. 671.86 Lakhs – (Principle Amount Rs 700.00 Lakhs) - Axis Trustee Services Limited**

Debenture Holders :

A. **Nirma Chemical Works Pvt. Ltd.(NCWPL) – Rs. 500.00Lakhs**

B. **Nirma Credit and Capital Pvt. Ltd. (NCCPL) – Rs 200.00 Lakhs**

Particulars	31/03/2022	31/03/2021
Current Financial Asset - First Charge - Floating Charge Non Financial Asset - First Charge - Floating Charge	**No Charge**	**No Charge**
Non Current First Charge	**1. Movable properties** Floating Charge on the whole of the movable plant & machinery, spares, tools, accessories & other movable both present and future situated at all locations in Gujarat **2. Immovable properties** First paripassu charge on the whole of the immovable properties situated at Village Moti Bhoyan state of Gujarat.	**1. Movable properties** Floating Charge on the whole of the movable plant & machinery, spares, tools, accessories & other movable both present and future situated at all locations in Gujarat **2. Immovable properties** First paripassu charge on the whole of the immovable properties situated at Village Moti Bhoyan state of Gujarat.
Total assets pledged as security	**Rs 500.00 Lakhs**	**Rs 500.00 Lakhs**

Rate of interest 15.50% on above debentures and the company has defaulted in repayment of above debentures since 2002-03

IV. **Credit Facilities from RBL Bank Ltd.: Rs 2800 Lakhs ***

Particulars	31-03-2022	31-03-2021
Current		
First Pari Passu Charge	First Pari Passu Charge on whole of current assets and book debts, both present and future of the Company as described in Schedule 3 of Deed of Hypothecation dated 12th July, 2019.	First Pari Passu Charge on whole of current assets and book debts, both present and future of the Company as described in Schedule 3 of Deed of Hypothecation dated 12th July, 2019.
Non Current	**1. Movable properties**	**1. Movable properties**
First Pari Passu Charge	First Pari Passu Charge on the present and future movable fixed assets particularly plant and machinery, equipment, furniture and fixtures etc. of Company's factories, premises more particularly described in Schedule 3 of Deed of Hypothecation dated 12th July, 2019.	First Pari Passu Charge on the present and future movable fixed assets particularly plant and machinery, equipment, furniture and fixtures etc. of Company's factories, premises more particularly described in Schedule 3 of Deed of Hypothecation dated 12th July, 2019.
Total assets charged as security	**Rs 2800.00 Lakhs**	**Rs 5450.00 Lakhs**

Rate of interest for above credit facilities – 3 months MCLR and in WCTL - 3 months MCLR plus 0.05%.

* The Company had repaid fully WCTL of RBL Bank Ltd during the F.Y 2020-21 and the company has received NOC for the reduction of charge during FY 2021-22,. Hence, the charges cretated in favour of RBL Bank Ltd. is reduced accordingly.

V. In respect of various overdue Long Term Borrowings excluding Working Capital facilities from RBL Bank Ltd. are treated as "Non-current interest-bearing loans and borrowings" since, the Company has filed the review petition on 2/11/2020 with the Hon'ble High Court of Gujarat upon the dismissal of O J Appeal filed by the Company against the order of single bench of Hon'ble High Court of Gujarat in respect of Scheme of Compromise and Arrangement u/s 391(1) of Companies Act, 1956.

Term Loans:- Term Loans of Rs 2500 Lakhs from NCWPL are Secured by first charge on whole of movable fixed assets etc. both present and future including movables as described in Schedule III of DOH and First charge on whole immovable properties situated at village: Moti-Bhoyan & Pondichery ranking pari-passu with the charges created in favor of a trustee for privately placed debentures and personal guarantee of some of the erstwhile directors.

Non-Convertible Debentures

700000 (15.5%) Redeemable Non-Convertible Debentures privately placed with Axis Trustee Services Limited (Debenture holders Rs. 500 lakhs with NCWPL & Rs. 200 Lakhs with NCCPL) are secured by way Mortgage of immovable assets both present and future situated at village: Moti-Bhoyan in the state of Gujarat and charges on movable assets of the Company at all locations in Gujarat in favor of a trustee, ranking pari-passu with the charges created on the said assets for term loans from lenders.

300 (13.5%) Redeemable Non-Convertible Debentures privately placed with Axis Trustee Services Limited (Debenture Holder: NCWPL) are secured by First charge on whole of movable Properties both present and future, at village Moti Bhoyan situated in the state of Gujarat and Pondichery and immovable property both present and future, situated at village: Moti Bhoyan in the state of Gujarat in favor of a trustee, ranking pari-passu with the charges created on the said assets for term loans from lenders.

VI Details of satisfaction of charges yet to be registered with ROC beyond the statutory period :

The existing charge appear in favour of NCWPL on specified movable and immovable properties for original amount of Rs 11400.00 lakhs, which was acquired by NCWPL from erstwhile lender has been settled by the company finally on 14-05-2015. The said charge is under process for satisfaction/modification on account of pending documentation.

56 The company operates in a single segment and in line with Ind AS - 108 "Operating Segments", the operations of the Company fall under "Manufacturing of Packaging Materials" business which is considered to be the only reportable business segment.

57 Details of information about geographical areas for sales are as below:

(Rs. In lakhs)

Particulars	31-03-2022	31-03-2021
Within India	12588.31	10346.16
Outside India		
Europe	341.96	823.99
Asia	1935.79	1,632.03
Africa	35.83	657.14
North America	32.51	17.69
Grand Total	**14,934.40**	**13,477.01**

There are no non-current assets other than in India.

There is a reputed customer accounted for more than 10 % of the revenue during the year 2021-22. Further, there are 3 customers having oustanding balance of more than 10 % of the total receivable as on 31st March, 2022.

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

58 Previous year's figures have been regrouped / re-stated / reclassified wherever necessary. Figures in brackets relate to previous year unless otherwise stated. Previous year figures in notes forming part of accounts are recalculated to bring the figures in line with relevance in the matter.

As per our report of even date attached herewith

For and on behalf of the Board

For Chandulal M. Shah & Co.
Chartered Accountants
FRN: 101698W

C. S. Panchal

Chetan S. Panchal
Partner M. No.: 147415

Place : Ahmedabad
Date : 21/05/2022

CHANDULAL M. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Shailesh Desai
Managing Director
(DIN: 01783891)

K. R. Shah

Krunal Shah
Chief Financial Officer

Place : Moti-Bhoyan
Date : 21/05/2022

Hemal Shah
Whole Time Director
(DIN: 07338419)

Sandip Mistry
Company Secretary

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since December 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The Company has filed a petition on March 17, 2023 before the National Company Law Tribunal, Ahmedabad Bench under section 55(3) of the Companies Act, 2013 to issue and allot 7,66,666 redeemable preference shares of face value of ₹ 100 each on the same terms and conditions to the existing preference shareholder of the value equivalent to the existing outstanding 6,66,666 unredeemed preference shares amounting to ₹ 666.66 Lakhs together with unpaid dividend of ₹ 100.00 lakhs thereon. Upon sanction of the aforesaid petition and issue of these further redeemable preference shares, the existing unredeemed preference shares shall be deemed to have been redeemed.

2. Nirma Chemical Works Private Limited and Nirma Credit and Capital Private Limited, the existing lenders of the Company have further extended the period for payment of the settlement amount under the settlement agreement dated January 4, 2021 by not later than July 31, 2023 or such other date, which the lenders agree to extend at their sole discretion. The other terms and conditions of the settlement agreement shall remain unchanged.

3. The preference shareholder of the Company has further extended the validity of the waiver with respect to accumulated dividend and accumulated interest, if any, on outstanding preference shares upto July 31, 2023 or such other date, which he agrees to extend in writing at his sole discretion. All other terms and conditions shall remain unchanged.

4. The Board of Directors at its meeting held on March 6, 2023, has approved following matters:

- Shifting of Registered Office of the Company from 301, Corporate House, Opp. Torrent House, Income Tax, Ahmedabad – 380009, Gujarat, India to 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380009, Gujarat, India due to administrative convenience.

- Capital expenditure of approximately ₹ 1,700.00 lakhs for purchase of Multi-Layer Film Plant.

5. CRISIL Ratings Limited *vide* its letter dated January 25, 2023 bearing reference no. RL/SHRERAM/310044/BLR/0123/51228 has reviewed its ratings on the Company's bank loan facilities and has assigned the below rating:

Total Bank Loan Facilities Rated	₹ 8,000.00 Lakhs
Long Term Rating	CRISIL BBB-/Stable (Reaffirmed)
Long Term Rating	CRISIL BBB-/Stable [Migrated from CRISIL AA(CE) / Stable]
Short Term Rating	CRISIL A3 [Migrated from CRISIL A1+(CE)]

6. Khandwala Securities Limited ("**KSL**") had filed an execution application before the Small Cause Court, Mumbai for the execution of decree which was received by the Company on August 27, 2022. However, the Small Cause Court, Mumbai has transferred the Execution Application of decree to Civil Court at Gandhinagar, Gujarat for its execution. Considering the order of Supreme Court in respect of the aforesaid matter and facts of the case, the Company has filed the Civil Suit on January 25, 2023 with Civil Court, Gandhinagar for the recovery of interest on deposit amount against KSL and the same is currently pending.

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios compared on the basis of the Audited Financial Information and Unaudited Financial Results. For details, see "*Financial Statements*" on page 96.

Accounting Ratios

Particulars	**Based on Audited Financial Statements**		**Based on Unaudited Financial Results**	
	As at and for the year ended March 31, 2022	**As at and for the year ended March 31, 2021**	**As at and for the nine months period ended December 31, 2022**	**As at and for the nine months period ended December 31, 2021**
Basic earnings per share (₹)	(0.78)	0.54	0.20	(0.56)
Diluted earnings per share (₹)	(0.78)	0.54	0.20	(0.56)
Return on Net Worth (%)	(19.99%)	11.69%	4.88%	(13.70%)
Net Asset Value per Equity Share (₹)	3.88	4.63	4.08	4.07
EBITDA (₹ in Lakhs)	238.46	1,199.29	900.65	191.74

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operation after exceptional item, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit/(Loss) for the Year as per Statement of Profit and Loss attributable to Equity Shareholders from continued operations and discontinued operations (prior to other comprehensive income)/ Net worth at the end of the year on standalone basis.
Net asset value per Equity Share	Net Worth at the end of the period / number of Equity Shares at the end of the period.
EBITDA	Profit/(Loss) for the year before finance costs, tax, depreciation, amortization and exceptional items from continued operations and discontinued operation as presented in the statement of profit and loss.

Calculation of Return of Net Worth

(₹ in Lakhs)

Particulars	Based on Audited Financial Statement		Based on Unaudited Financial Results	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**	**For nine months period ended December 31, 2022**	**For nine months period ended December 31, 2021**
Net Profit/(Loss) after Tax from continued operations and discontinued operation attributable to Equity Holders of the Parent (before OCI) (A)	(492.23)	343.30	126.44	(354.06)
Net Worth (B)	2,462.11	2,937.76	2,590.04	2,583.64
Return of Net Worth (A/B) (%)	**(19.99%)**	**11.69%**	**4.88%**	**(13.70%)**

Calculation of Net asset value per Equity Share

Particulars	Based on Audited Financial Statement		Based on Unaudited Financial Results	
	As at March 31, 2022	**As at March 31, 2021**	**For nine months period ended December 31, 2022**	**For nine months period ended December 31, 2021**
Net Worth (A) (₹ in Lakhs)	2,462.11	2,937.76	2,590.04	2,583.64
No. of shares (B) (in numbers)	6,34,68,005*	6,34,68,005*	6,34,68,005*	6,34,68.005*
Net Assets Value (₹) [(A x 100,000) / B]	**3.88**	**4.63**	**4.08**	**4.07**

** For calculation of Net Assets Value per share, forfeited shares are not considered as do not carry any rights over the net assets of the Company.*

Calculation of EBITDA

(₹ in Lakhs)

	Based on Audited Financial Statement		Based on Unaudited Financial Results	
Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For nine months period ended December 31, 2022**	**For nine months period ended December 31, 2021**
Net Profit/ Loss after Tax	(492.23)	343.30	126.44	(354.06)
Add: Taxes [Short/ (Excess) provision for income tax of earlier years]	-	-	204.90	-
Add: Finance Cost	65.62	88.16	109.61	41.60
Add: Depreciation and Amortisation Expense	665.07	767.83	459.70	504.20
EBITDA	**238.46**	**1,199.29**	**900.65**	**191.74**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Limited Review Unaudited Standalone Financial Results for the nine months ended on December 31, 2022 and Audited Standalone Financial Statements as of and for the Fiscal 2022 included in this Draft Letter of Offer. Our Audited Standalone Financial Statements for Fiscal 2022 and Limited Review Standalone Financial Results as of and for the nine months period ended December 31, 2022, were prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Standalone Financial Statements and Unaudited Standalone Financial Results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 18 and 13 respectively.

Our Financial Year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Shree Rama Multi-Tech Limited on a standalone basis, as applicable in the relevant period, unless otherwise stated. For further information, see "Financial Statements" beginning on page 96.

OVERVIEW OF OUR BUSINESS

We are an ISO 9001:2015, ISO 15378:2017 and DMF-type III certified Company engaged in providing primary packaging solution. We currently manufacture a wide and diverse range of packaging products such as laminated tubes ("**Lami Tubes**"), tube laminates and flexible laminates. Our products are primarily used for oral care, pharmaceuticals, cosmetics and fast-moving consumer goods (FMCG) sectors. Our products are available in different sizes, diameters and circular shape as per the specifications of our customers.

Our manufacturing facility is located in Moti Bhoyan, Dist. Gandhinagar, Gujarat and has installed capacity to manufacture Lami Tubes of 9,574 Lakhs Nos. per annum and laminates (tube & flexible) of 15,000 metric tons per annum *(Certified by Mukesh M. Shah, Chartered Engineer vide his certificate dated January 17, 2023 having registration no. M-0231074)*. Our manufacturing facility is a fully integrated facility with processes starting from plastic granules to films, laminates, printing, injection moulding and Lami Tube, as required, equipping us to manage products from the stages of design to dispatch. This fully integrated environment and well-defined processes provide us competitive advantages in terms of maintenance of quality. Moreover, our manufacturing facility is engineered to be flexible in its production and output with the same plant having the ability to manufacture different products as per different campaigns, with significant backward integration under one roof, which we believe is a significant competitive strength of our Company.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *'Risk Factors'* on page 18. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Factors affecting the packaging industry;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

For details about our key significant accounting policies, see section titled "*Financial Information*" on page 96.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter titled "*Financial Statements*" on page 96, there has been no change in accounting policies during nine months period ended December 31, 2022, and Fiscal 2022.

RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS/OTHER OBSERVATIONS IN CARO

The following is the summary of qualifications/ reservation /emphasis of matters/ adverse remarks / other observations in CARO (as applicable) in limited review report for the quarter and nine months ended December 31, 2022:

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
Quarter and nine months ended December 31, 2022	Qualification	We draw attention to Note No. 5 to the financial results for non-provision interest of ₹ 641.04 Lakhs for the nine months ended on December 31, 2022 on loans and debentures which are under settlement as per scheme. Total accumulated interest not provided for upto December 31, 2022 is ₹ 17,888.41 Lakhs. If the provision for interest is made, the loss for the current quarter would have increased by ₹ 213.68 Lakhs, profit for the nine months would have decreased by ₹ 641.04 Lakhs and accumulated losses upto December 31, 2022 and borrowings would have increased by ₹ 17,888.41 Lakhs.
Quarter and nine months ended December 31, 2022	Qualification	Non-consolidation of accounts of Shree Rama (Mauritius) Limited (Wholly Owned Subsidiary) as per Section 129 of the Act and Ind AS 110 issued by the Institute of Chartered Accountants of India for the reasons specified in Note No. 9 to the financial results.
Quarter and nine months ended December 31, 2022	Emphasis of Matter	Note No. 4 to the financial results related to order of Hon'ble High Court of Gujarat in respect of Scheme of Compromise and Arrangement u/s 391(1) of the Companies Act, 1956.
Quarter and nine months ended December 31, 2022	Emphasis of Matter	Note No. 6 to the financial results relating to settlement agreement with certain lenders and preference shareholder.

Following is the summary of qualifications/ reservation /emphasis of matters/ adverse remarks/other observations in audit report and CARO in the financial year ended March 31, 2022:

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
Fiscal 2022	Qualifications	The Company has made borrowings in the form of loans, debentures, etc. in earlier years which are under settlement. During the year the Company has not provided interest of ₹ 854.72 Lakhs on such outstanding borrowings. The

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
		accumulated interest on such borrowings not provided for past several years upto 31/3/2022 is ₹ 17,247.37 Lakhs. If the provision for interest is made, the loss for the current year would have increased by ₹ 854.72 Lakhs and accumulated losses upto 31/3/2022 would have increased by ₹ 854.72 Lakhs and accordingly net loss for the current year would have been ₹1,330.37 Lakhs and accumulated losses upto 31/3/2022 would have been ₹ 47,213.82 Lakhs (Refer Note No. 49.6 of financial statements).
Fiscal 2022	Qualifications	Non-consolidation of accounts of Shree Rama (Mauritius) Limited (Wholly Owned Subsidiary) as per Section 129 of the Act & Ind AS 110 issued by the Institute of Chartered Accountants of India for the reasons specified in Note No. 39 of the financial results.
Fiscal 2022	Emphasis of Matters	We draw attention to Note 49.5 of the standalone financial statements. The Hon'ble High Court of Gujarat has passed an order on 20/02/2020 whereby the O.J. Appeal filed by the Company against the order of the single bench of Hon'ble High Court of Gujarat in respect of the scheme of Compromise and Arrangement u/s 391(1) of Companies Act, 1956 has been dismissed. The company has filed review application on 02/11/2020 before the Hon'ble High Court of Gujarat.
Fiscal 2022	Emphasis of Matters	We draw attention to Note No. 49.7 of the standalone financial results. The Company has entered into a settlement agreement with certain lenders for waiver of interest and other charges as may be applicable, subject to repayment of principal amount with respect to such loans and debentures on or before 31st July 2022 or such other extended date permitted by the lenders at their sole discretion. Further, the Preference Shareholder has also waived the right to receive the dividend accumulated on the Preference Shares and accumulated interest on delayed payment provided that the Company redeems the outstanding preference shares by 31st July 2022 or such other extended date permitted by the Preference Shareholder at his sole discretion. Necessary accounting entries shall be passed after the Company makes the payments as per the terms agreed by lenders/Preference Shareholder.
Fiscal 2022	Other Observation in CARO	The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks which are not in agreement with the books of account. Details of the same are as below:

(₹ in lakhs)

Quarter	Particulars of current assets provided as security	Amount as per books of accounts	Amount as per quarterly returns/ statements	Difference
June 2021	Inventory and Trade Receivable	4,941.92	4,604.69	337.23
September 2021	Inventory and Trade Receivable	5,109.87	5,312.88	(203.01)

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars

December 2021	Inventory and Trade Receivable	5,991.84	5,776.85	214.99
March 2022	Inventory and Trade Receivable	5,968.43	5,444.97	523.46

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
Fiscal 2022	Other Observation in CARO	According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of any dispute, except the following:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Penalty Sec.271(1)(c)	71.27	A.Y.2009-10	ITAT-Ahmedabad
Income Tax Act, 1961	Penalty Sec.271(1)(c)	331.07 453.46 291.98	A.Y.2002-03 A.Y.2003-04 A.Y.2004-05	Gujarat High Court
Central Excise Act, 1944	Excise & Penalty	262.90	F.Y. 2004-05	Gujarat High Court
Central Excise Act, 1944 & Finance Act, 1994	Excise & Service Tax	10.73	March 2014 to March 2016	Deputy Commissioner, GST, Kalol Division

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
Fiscal 2022	Other Observation in CARO	The Company had defaulted in respect of loans and other borrowings as below for which the Company has filed scheme of Arrangement and Compromise

Nature of Borrowing	Name of Lenders	Amount not paid on due date (₹ in Lakhs)		No. of days delay or unpaid
		Principal	Interest	
Term Loan	Nirma Chemical Works Private Limited	2,500.00	7,226.42	Since F.Y. 2002- 03
Debentures	Nirma Chemical Works Private Limited	3,000.00	7,884.41	Since F.Y. 2002-03
Debentures	Nirma Chemical Works Private Limited	477.36	1,526.47	Since F.Y. 2002-03
Debentures	Nirma Credit and Capital Private Limited	194.50	610.06	Since F.Y. 2002-03

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
Fiscal 2022	Remarks in Report on Other	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company except dividend mentioned in

Period	Qualifications/ Reservation/ Matter of Emphasis/ Adverse Remarks/Other observations	Particulars
	Legal & Regulatory requirements	Note No. 49.3(b).

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations is on account of sales of products i.e. plastic laminated tubes, specialty packaging and others. It also includes export incentives and other operating income.

Other Income

Other income primarily comprises recurring income which includes interest income as well as certain non-recurring income such as sundry balance written back, reversal of doubtful debts, unrealised gain on investment and other miscellaneous income.

Expenses

Our expenses primarily comprise cost of material consumed, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed

The Cost of material consumed comprises of changes in raw material & purchase of raw material like plastic granules, aluminum foil, ink, cap, shoulder, plastic and polyester films.

Changes in inventories of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress comprises of difference in closing balance *vis-a-vis* opening balance of finished goods, waste and work in progress materials.

Employee benefit expense

Employee benefit expense consists of salaries, wages, contribution to provident fund & other funds, and staff welfare expenses.

Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense generally comprises interest on secured loans. Other finance costs consist of bank charges, commission and corporate guarantee fees.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on property, plant and equipment and amortization of intangible and right to use assets.

Other expenses

Other expenses comprises of power and fuel expense, consumption of store spare parts, freight and forwarding expense, repairs to building, plant & machinery and others, packing material consumption, job work charges, rates and taxes, insurance expense, travelling expense, selling overheads, legal and professional fees, loss on sale of property, plant and equipment, provision of doubtful debts, auditor remuneration and other miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations:

The following table sets forth certain information with respect to our results of operations for the periods indicated:

(₹ in Lakhs)

Particulars	As on December 31, 2022		As on December 31, 2021		Fiscal 2022		Fiscal 2021	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**
Revenue from Operations	14,921.36	99.98%	11,280.36	99.57%	15,031.47	99.72%	13,580.13	99.85%
Other Income	2.66	0.02%	48.39	0.43%	42.07	0.28%	20.17	0.15%
Total Revenue	**14,924.02**	**100.00%**	**11,328.75**	**100.00%**	**15,073.54**	**100.00%**	**13,600.30**	**100.00%**
Cost of Material Consumed	9,510.65	63.73%	7,763.41	68.53%	10,676.73	70.83%	7,411.53	54.50%
Changes in Inventories of finished goods, work in progress and waste	357.49	2.40%	(430.81)	(3.80) %	(829.70)	(5.50%)	364.72	2.68%
Employee Benefit Expenses	1,242.03	8.32%	1,202.59	10.62%	1,588.09	10.54%	1,541.37	11.33%
Financial Cost	109.61	0.73%	41.60	0.37%	65.62	0.44%	88.16	0.65%
Depreciation and Amortization Expenses	459.70	3.08%	504.20	4.45%	665.07	4.41%	767.83	5.65%
Other Expenses	2,913.20	19.52%	2,601.82	22.96%	3,399.96	22.56%	3,083.39	22.67%
Total Expenses	**14,592.68**	**97.78%**	**11,682.81**	**103.13%**	**15,565.77**	**103.27%**	**13,257.00**	**97.48%**
Profit/ (Loss) before Tax	**331.34**	**2.22%**	**(354.06)**	**(3.13) %**	**(492.23)**	**(3.27%)**	**343.30**	**2.52%**
Tax expense:								
- Current Tax	-	-	-	-	-	-	-	-
- (Excess)/Short provision relating to earlier years	204.90	1.37%	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-	-	-
Net Tax expenses	**204.90**	**1.37%**	-	-	-	-	-	-
Profit/(Loss) after tax	**126.44**	**0.85%**	**(354.06)**	**(3.13) %**	**(492.23)**	**(3.27%)**	**343.30**	**2.52%**

Nine months period ended December 31, 2022 compared to nine months period ended December 31, 2021

Total Revenue

Our total revenue for the nine months period ended December 31, 2022, was ₹ 14,924.02 Lakhs as compared to ₹ 11,328.75 Lakhs for the nine months period ended December 31, 2021, representing an increase of 31.74%.

Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the nine months period ended December 31, 2022 was ₹14,921.36 Lakhs as compared to ₹ 11,280.36 Lakhs for the nine months period ended December 31,2021, representing an increase of 32.28%. This increase was primarily due to increase in sale of our products.

Other income

Other income for the nine months period ended December 31, 2022 was ₹ 2.66 Lakhs as compared to ₹ 48.39 Lakhs for the nine months period ended December 31, 2021, representing a decrease of 94.50%. The decrease in other income was primarily due to reduction in interest income.

Expenses

Our total expenditure for the nine months period ended December 31, 2022, was ₹ 14,592.68 Lakhs as compared to ₹ 11,682.81 Lakhs for the nine months period ended December 31, 2021, representing an increase of 24.91%.

Total expenditure comprises of:

Cost of Material Consumed

The Cost of Material Consumed for the nine months period ended December 31, 2022 was ₹ 9,510.65 Lakhs as compared to ₹ 7,763.41 Lakhs for the nine months period ended December 31, 2021, representing an increase of 22.51%. This increase was due to increase in raw material consumption in line with increase in sales and increase in prices of major raw materials consumed in production of our products.

Changes in Inventories of finished goods, stock-in-trade and work-in-progress

The changes inventories of finished goods, stock-in-trade and work-in-progress for the nine months period ended December 31, 2022 were ₹ 357.49 Lakhs as compared to ₹ (430.81) Lakhs for the nine months period ended December 31, 2021, primarily due to decrease in closing stock of finished goods, work in progress and waste.

Employee benefit expenses

Employee benefit expense for the nine months period ended December 31, 2022 was ₹ 1,242.03 Lakhs as compared to ₹ 1,202.59 Lakhs for the nine months period ended December 31, 2021, representing an increase of 3.28%. This increase was due to increase in staff welfare expense and incremental effect of salary and wages.

Finance cost

Finance cost for the nine months period ended December 31, 2022 was ₹ 109.61 Lakhs as compared to ₹ 41.60 Lakhs for the nine months period December 31, 2021, representing an increase of 163.49%. The increase in finance cost is primarily due to increase in utilisation of cash credit facilities.

Depreciation and Amortization Expenses

Depreciation and amortization expense for the nine months period ended December 31, 2022 was ₹ 459.70 Lakhs as compared to ₹ 504.20 Lakhs for the nine months period ended December 31, 2021, representing a decrease of 8.83%. The decrease is due to change in Written Down Value ('WDV') of Property, Plant and Equipment which is calculated based on useful life of the assets.

Other expenses

Other expenses for the nine months period ended December 31, 2022 were ₹ 2,913.20 Lakhs as compared to ₹ 2,601.82 Lakhs for the nine months period ended December 31, 2021, representing an increase of 11.97%. The increase was mainly due to increase in consumption of spares, power and fuels, job work charges, packing material consumptions, freight and forwarding expense, selling overheads, insurance, rates and taxes, travelling expense, legal and professional charges, provision for doubtful debts and sundry balance written off.

Profit/(loss) before tax

Profit/(loss) before tax for the nine months period ended December 31,2022 was ₹ 331.34 Lakhs as compared to ₹ (354.06) Lakhs for the nine months period ended December 31, 2021. This increase in profit was primarily due to increase in total revenue as compared to corresponding period.

Tax expenses

Total tax expense for the nine months period ended December 31, 2022 was ₹ 204.90 Lakhs as compared to ₹ Nil for the nine months period ended December 31, 2021. Our Company reviewed present status of various tax matters relating to advance tax, TDS receivable, provision for income tax, etc. of earlier years and passed accounting entries for Net Short provision of Income Tax of ₹ 204.90 Lakhs during the quarter and nine months period ended December 31, 2022.

Profit/(loss) after tax

For the reasons discussed above, the profit/(loss) after tax for the nine months period ended December 31, 2022 was ₹ 126.44 Lakhs as compared to ₹ (354.06) Lakhs for the nine months period ended December 31, 2021.

Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for the Fiscal 2022 was ₹ 15,073.54 Lakhs as compared to ₹ 13,600.30 Lakhs for the Fiscal 2021, representing an increase of 10.83%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2022 was ₹15,031.47 Lakhs as compared to ₹ 13,580.13 Lakhs for the Fiscal 2021, representing an increase of 10.69%. This increase was primarily due to increase in sale of our products.

Other income

Other income for the Fiscal 2022 was ₹ 42.07 Lakhs as compared to ₹ 20.17 Lakhs for the Fiscal 2021, representing an increase of 108.58%. The increase in other income was primarily due to interest income on Income Tax Refund and increase in other miscellaneous income.

Expenses

Our total expenditure for the Fiscal 2022 was ₹ 15,565.77 Lakhs as compared to ₹ 13,257.00 Lakhs for the Fiscal 2021, representing an increase of 17.42%. Total expenditure comprises of:

Cost of Material Consumed

The Cost of Material Consumed for the Fiscal 2022 was ₹ 10,676.73 Lakhs as compared to ₹ 7,411.53 Lakhs for the Fiscal 2021, representing an increase of 44.06%. This increase was due to increase in prices of major raw materials consumed in production of our products.

Changes in Inventories of finished goods, stock-in-trade and work-in-progress

The changes inventories of finished goods, stock-in-trade and work-in-progress for the Fiscal 2022 were ₹ (829.70) Lakhs as compared to ₹ 364.72 Lakhs for the Fiscal 2021, primarily due increase in closing stock of finished goods, stock-in-trade and work in progress.

Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹ 1,588.09 Lakhs as compared to ₹ 1,541.37 Lakhs for the Fiscal 2021, representing an increase of 3.03%. This increase was due to increase in statutory provision, staff welfare expense and incremental effect of salary and wages.

Finance cost

Finance cost for the Fiscal 2022 was ₹ 65.62 Lakhs as compared to ₹ 88.16 Lakhs for the Fiscal 2021, representing a decrease of 25.57%. The decrease in finance cost is due to repayment of certain borrowings.

Depreciation and Amortization Expenses

Depreciation and amortization expense for the Fiscal 2022 was ₹ 665.07 Lakhs as compared to ₹ 767.83 Lakhs for the Fiscal 2021, representing a decrease of 13.38%. The decrease is due to change in Written Down Value (‘WDV’) of Property, Plant and Equipment which is calculated based on useful life of the assets.

Other expenses

Other expenses for the Fiscal 2022 were ₹ 3,399.96 Lakhs as compared to ₹ 3,083.39 Lakhs for the Fiscal 2021, representing an increase of 10.27%. The increase was mainly due to increase in job work charges, repairs and maintenance expense, packing material consumptions, freight and forwarding expense, travelling expense and other expenses.

Profit/(loss) before Tax

Profit/(loss) before Tax item for Fiscal 2022 was ₹ (492.23) Lakhs as compared to ₹ 343.30 Lakhs for Fiscal 2021. This decrease in profit was primarily due to increase in cost of raw material consumed and other production related expenses like job work charges, repairs to building and others, packing material consumption, freight and forwarding charges etc.

Tax expenses

Total tax expense for the Fiscal 2022 was ₹ Nil as compared to ₹ Nil for Fiscal 2021.

Profit/(loss) after tax

For the reasons discussed above, the profit/(loss) after tax for the Fiscal 2022 was ₹ (492.23) Lakhs as compared to ₹ 343.30 Lakhs for the Fiscal 2021.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled *“Risk Factors”* and chapter titled *“Management's Discussion and Analysis of Financial Conditions and Results of Operations”* beginning on page 18 and 160, respectively, of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on page 18 and 160, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in chapter titled "*Risk Factors*" on page 18, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please see the chapter titled "*Financial Statements*" beginning on page 96.

Significant developments after December 31, 2022 that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after December 31, 2022 that may affect our future results of operations. For further information, please see the chapter titled "*Material Developments*" on page 157.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and our Subsidiary are involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities.

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company or its Subsidiary; (ii) material violations of statutory regulations by our Company or its Subsidiary; (iii) economic offences where proceedings have been initiated against our Company or its Subsidiary; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position or that of our Subsidiary;.

*For the purpose of the Issue, the following outstanding civil litigations have been considered as material and accordingly, have been disclosed in this chapter: any outstanding litigation, involving our Company and/ or our Subsidiary, where the amount involved is ₹ 150.73 Lakhs (being 1% of the total income of our Company, in terms of the Audited Financial Statements as of March 31, 2022) (**"Materiality Threshold"**) or above.*

Pre-litigations notices received by our Company and/ or our Subsidiary from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company and/ or our Subsidiary are impleaded as defendants in litigation proceedings before any judicial/ arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

i. Criminal Litigations initiated against our Company

a. 8 criminal complaints have been filed under Section 138 of the Negotiable Instruments Act, 1881, initiated by various lenders *viz.* BNP Paribas, Axis Bank Limited (erstwhile UTI Bank Ltd) and Bank of Bahrain and Kuwait BSC and Export Import Bank of India. BNP Paribas, UTI Bank Limited and Bank of Bahrain and Kuwait B.S.C. have entered into assignment agreements with JM Financial Asset Reconstruction Company Private Limited ("**JMFARC**") in relation to the the credit facilities availed by our Company. Export –Import Bank of India has entered into assignment agreement with Asset Reconstruction Company (India) Limited (**"ARCIL"**) in relation to the credit facilities availed by our Company. No dues certificate dated June 9, 2015 has been issued with respect to the loans acquired by JMFARC towards the credit facilities availed by our Company. ARCIL further assigned the credit facilities availed by our Company to Nirma Chemicals Works Private Limited ('Our **Promoter'**) *vide* assignment agreement dated July 8, 2009 in relation to the credit facilities availed by our Company. The matters are currently pending for disposal.

   1 criminal complaint had been filed by IDBI Bank Limited against our Company under Section 138 of the Negotiable Instruments Act, 1881. The IDBI Bank Limited has entered into assignment agreement in relation to the the credit facilities availed by our Company with Stressed Assets Stabilization Fund ("**SASF**"). Subsequently, upon settlement of the said credit facilities by the Company, SASF had issued no due certificate *vide* its letter dated August 21, 2013. The matter is currently pending for disposal.

ii. *Criminal Litigations initiated by our Company*

a. 18 criminal complaints under Section 138 of the Negotiable Instruments Act, 1881, have been initiated by our Company against various parties for cheques that bounced on the presentation and the aggregate amount involved in these matters is ₹74.28 Lakhs. The matters are pending at different stages of adjudication before various courts.

B. **Matters involving material violations of statutory regulations by our Company**

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

C. **Economic offences where proceedings have been initiated against our Company**

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

D. **Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

Civil Litigations initiated against our Company

As on the date of this Draft Letter of Offer, there are 3 material outstanding civil litigations initiated by Bank of Bahrain and Kuwait BSC, BNP Paribas, Export – Import Bank of India against our Company of which 2 cases have been initiated before the Debt Recovery Tribunal, Mumbai and 1 case has been pending before Debt Recovery Appellate Tribunal, Mumbai for recovery of their pending dues. However, the Bank of Bahrain and Kuwait BSC and BNP Paribas have entered into assignment agreements with JM Financial Asset Reconstruction Company Private Limited ("**JMFARC**") for assignment of their respective credit facilities availed by our Company. Subsequently, upon settlement of the dues in relation to the credit facilities availed by our Company, a no dues certificate dated June 9, 2015 was issued by JMFARC. Export – Import Bank of India has entered into an assignment agreement with Asset Reconstruction Company (India) Limited (**"ARCIL"**) in relation to the credit facilities availed by our Company. Subsequently, ARCIL has further assigned the credit facility availed by our Company to Nirma Chemicals Works Private Limited ('Our Promoter') *vide* assignment agreement dated July 8, 2009. The matters are currently pending for disposal.

Civil Litigations initiated by our Company

Following are the civil litigations initiated in relation to the order passed against our Company:

a. Our Company ("**Applicant**") had filed a review application no. 10 of 2015 **("Review Application")** against Andhra Bank and Others **("Respondents")** before Debt Recovery Tribunal-1, Ahmedabad ("**DRT**") for the purpose of review / recall of the judgement dated September 19, 2013 in the Original Application number 40 of 2005 ("**Original Application**") passed by the DRT ("**Impugned Order**"). Andhra Bank had filed the Original Application against East West Polyart Limited, our Company and Others (**Original Defendants**) under section 19(1) of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 for recovery of its outstanding dues in relation to the two credit facilities *viz*., open cash credit of ₹ 240 Lakhs and a term loan of ₹ 400 Lakhs, aggregating to ₹640 Lakhs ("**Credit Facilities**"). Our Company had provided a corporate guarantee up to ₹ 400 Lakhs for the Credit Facility. The DRT *vide* its Impugned Order partly allowed the Original Application and order that Andhra Bank is entitled to recover a sum of ₹564.90 Lakhs plus interest and costs aggregating to ₹933.34 Lakhs, together with further interest at the rate of 12% per annum from the Original Defendants. Being aggrieved by the Impugned Order, our Company had filed the Review Application to review and recall of the Impugned Order and implementation of Impugned Order till the final disposal of the reference pending before the Board of Industrial and Financial Reconstruction (**"BIFR"**). A reference under Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the BIFR was filed and the same was registered as case no 69 of 2006. *Vide* an order dated December 20, 2006, the BIFR had rejected the reference and an appeal number 61 of 2007 was filed before Appellate Authority for Industrial and Finance Reconstruction. The matter is currently pending.

b. Our Company has filed an Original Jurisdiction Miscellaneous Civil Application 1 of 2020 before the High Court of Gujarat ("**High Court**"), arising out of judgement and order dated February 20, 2020 ("**Final Order**") passed in the Original Jurisdiction Appeal number 42 of 2015 in Company Petition Number 247 of 2008, against Pradip Balubhai Desai ("**Respondent**") for review under section 114 read with order 47 rule 1 of the Code of Civil Procedure, 1908. Our Company had proposed the Scheme of Compromise and Arrangement ("**Scheme**") between itself, its shareholders and its creditors which involved restructuring of debt and reduction of share capital *vide* Company Application no. 401 of 2008. The High Court *vide* its order date July 16, 2008 directed our Company to convene separate meetings of Equity Shareholders, Preference Shareholders, Class A lenders and Class B lenders. Our Company filed company petition no. 247 of 2008 for sanctioning of the Scheme and subsequently, the Respondent raised objections against the Scheme. The High Court *vide* its Order dated July 15, 2015 dismissed the company petition 247 of 2008, *inter alia,* on the ground that the requisite material was not placed before the shareholders and creditors at the time of meeting so as to take informed decision and for approving the Scheme. Being aggrieved by the order dated July 15, 2015, our Company filed an appeal being Original Jurisdiction Appeal number 42 of 2015 before the High Court, which was dismissed by the High Court by final order passed by the High Court dated February 20, 2020. Therefore, our Company has filed the Original Jurisdiction Miscellaneous Civil Application. The matter is currently pending.

c. Our Company has filed a Special Civil Suit No. 25 of 2023 before Civil Court, Gandhinagar against Khandwala Securities Limited ("**Defendant**") for recover of sum of ₹ 878.12 Lakhs towards interest on deposits under the leave and license agreement dated September 30, 1998, executed between our Company and Defendant in respect of the premises located at Mumbai. The summons for appearance was served on the defendant and the matter is pending before Civil Court, Gandhinagar.

d. Our Company has filed petition on March 17, 2023 before the National Company Law Tribunal, Ahmedabad Bench under section 55(3) of the Companies Act, 2013 to issue and allot 7,66,666 redeemable preference shares of face value of ₹100 each on the same terms and conditions to the existing preference shareholder of the value equivalent to the existing outstanding 6,66,666 unredeemed preference shares amounting to ₹ 666.66 Lakhs together with unpaid dividend of ₹100.00 Lakhs thereon. The matter is currently pending.

Tax Proceedings initiated against our Company

Direct Tax:

a. The Principal Commissioner of Income Tax-4 (**"Appellant"**) filed a Tax appeal no.395 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated November 25, 2019, passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2002-2003. The Commissioner of Income Tax (Appeals) ("**CIT(A)**") passed an order confirming the disallowance of depreciation on tangible assets ₹ 927.36 Lakhs. Our company filed an appeal before the ITAT challenging the order passed by the Commissioner of Income Tax (Appeals) confirming the disallowance of depreciation on tangible assets and ITAT *vide* its order dated November 25, 2019 allowed the appeal filed by our Company. The Principal Commissioner of Income Tax-4 being aggrieved by the order dated November 25, 2019 passed by ITAT filed an appeal before the High Court, Gujarat on September 1, 2020 challenging the order passed by ITAT on November 25, 2019 and the matter is currently pending.

b. The Principal Commissioner of Income Tax-3 (**"Appellant"**) filed a Tax appeal no.384 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated June 22, 2020 passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2002-2003. The DCIT had passed an order dated March 28, 2016 under section 271(1)(c) of the Income Tax Act, 1961 ("**Act**") and levied penalty of ₹ 331.07 Lakhs for furnishing inaccurate particulars of income on disallowance / additions confirmed on account of depreciation of ₹ 927.36 Lakhs. The Commissioner of Income Tax (Appeals) ("**CIT(A)**") dismissed our company's appeal *vide* its order July 24, 2019. Therefore, our company filed an appeal before the ITAT and ITAT passed on order dated June 22, 2020 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-3 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on October 13, 2020 and the matter is currently pending.

c. The Principal Commissioner of Income Tax-4 (**"Appellant"**) filed a Tax appeal no.396 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated November 25, 2019 passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2003-2004. The Commissioner of Income Tax (Appeals) ("**CIT(A)**") passed an order confirming the disallowance of depreciation on tangible assets ₹ 1,233.92 Lakhs. Our company filed an appeal before the ITAT and ITAT passed an order dated November 25, 2019 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-4 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on September 1, 2020 and the matter is currently pending.

d. The Principal Commissioner of Income Tax-3 (**"Appellant"**) filed a Tax appeal no.333 of 2020 before the High Court of Gujarat, against our Company challenging the order dated June 22, 2020 passed by Income

Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2003-2004. The DCIT had passed an order dated March 28, 2016 under section 271(1)(c) of the Income Tax Act, 1961 ("Act") and levied penalty of ₹ 453.46 Lakhs for furnishing inaccurate particulars of income on disallowance / additions confirmed on account of depreciation of ₹ 1,233.92 Lakhs. The Commissioner of Income Tax (Appeals) ("CIT(A)") dismissed our company's appeal *vide* its order July 24, 2019. Therefore, our company filed an appeal before the ITAT and ITAT passed on order dated June 22, 2020 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-3 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on October 13, 2020 and the matter is currently pending.

e. The Principal Commissioner of Income Tax-4 (**"Appellant"**) filed a Tax appeal no.394 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated November 25, 2019 passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad ("**ITAT**") for Assessment Year 2004-2005. The Commissioner of Income Tax (Appeals) ("**CIT(A)**") passed an order confirming the disallowance of depreciation on tangible assets ₹ 813.89 Lakhs. Our company filed an appeal before the ITAT and ITAT passed an order dated November 25, 2019 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-4 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on September 1, 2020 and the matter is currently pending.

f. The Principal Commissioner of Income Tax-3 (**"Appellant"**) filed a Tax appeal no.337 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated June 22, 2020 passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2004-2005. The DCIT had passed an order dated March 28, 2016 under section 271(1)(c) of the Income Tax Act, 1961 ("Act") and levied penalty of ₹ 291.98 Lakhs for furnishing inaccurate particulars of income on disallowance / additions confirmed on account of depreciation of ₹ 813.89 Lakhs. The Commissioner of Income Tax (Appeals) ("CIT(A)") dismissed our company's appeal *vide* its order July 24, 2019. Therefore, our company filed an appeal before the ITAT and ITAT passed on order dated June 22, 2020 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-3 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on October 13, 2020 and the matter is presently pending.

g. The Principal Commissioner of Income Tax-4 (**"Appellant"**) filed a Tax appeal no.393 of 2020 before the High Court of Gujarat, against Our Company challenging the order dated November 25, 2019 passed by Income Tax Appellate Tribunal "C" Bench, Ahmedabad (**"ITAT"**) for Assessment Year 2005-2006. The Commissioner of Income Tax (Appeals) ("CIT(A)") passed an order confirming the disallowance of depreciation on tangible assets ₹ 543.49 Lakhs. Our company filed an appeal before the ITAT and ITAT passed an order dated November 25, 2019 allowing the appeal filed by our Company. The Principal Commissioner of Income Tax-4 being aggrieved by the order of ITAT filed an appeal before the High Court, Gujarat on September 1, 2020 and the matter is presently pending.

h. The Principal Commissioner of Income Tax-4 ("**Appellants**") has filed a tax appeal no.292 of 2020 before the High Court of Gujarat, against our Company challenging the order dated January 20, 2020, passed by the Income Tax Appellate Tribunal "C" Bench, Ahmedabad ("**ITAT**"). The Commissioner of Income Tax (Appeals) ("**CIT Appeal**") had passed an order, for assessment year 2006-07 confirming (i) the addition of ₹ 175.40 Lakhs made by Assessing Officer rejecting books of account invoking section 145 of the Income Tax Act, 1961 and adopting GP at the rate of 40% of the turnover in place of 37% as worked out by our Company (ii) levy of interest under section 234B/234C and 234D of Income Tax Act, 1961 (iii) initiation of penalty under Section 271(1)(c) of the Income Tax Act, 1961 and (iv) disallowance of depreciation of ₹ 367.46 Lakhs. Our Company subsequently filed an appeal before the ITAT and the ITAT partly allowed the appeal. The ITAT further Passed an order for allowing the depreciation of ₹611.31 Lakhs. The principal Commissioner of Income Tax-4 being aggrieved by the order of ITAT has filed an appeal before the High Court, Gujarat on September 18, 2020 and the matter is presently pending.

i. The Principal Commissioner of Income Tax-3 ("**Appellant**") has filed an appeal no. 461 of 2022 before the High Court of Gujarat against our Company challenging the order dated January 28, 2022 ("**Order**"), passed by the Income Tax Appellate Tribunal "C" Bench, Ahmedabad ("**ITAT**") for Assessment Year 2007 – 2008. ITAT passed order dated January 28, 2022, *inter alia*, confirming the following: i) Error on part of Commissioner of Income Tax Appeals ("**CIT (A)**") in confirming disallowance of depreciation of ₹ 251.50 Lakhs out of depreciation disallowed by the AO of ₹ 274.84 Lakhs; ii) Error on part of CIT (A) in confirming disallowance by AO of ₹ 8.22 Lakhs out of claim of depreciation on interest capitalized on machine; iii) Error on part of CIT (A) in confirming disallowance by AO ₹ 3.60 Lakhs of claim of prior period expenses; iv) Error on part of CIT (A) in confirming addition made by AO of ₹ 0.80 Lakhs under section 41(1) of the IT

Act; v) Error on part of CIT (A) in confirming the disallowance made by AO ₹ 1.15 Lakhs of depreciation on closed unit; vi) Error on part of CIT (A) in confirming the addition made by AO of ₹ 153.28 Lakhs on account of valuation of closing stock; vii) Error on part of CIT (A) in confirming the addition made by AO of ₹ 0.45 Lakhs on account of non-payment of PF amount within mandatory period out of which, ₹ 0.30 Lakhs was allowed. Aggrieved by the said order the Appellant has filed the present appeal. The same is pending for admission before High Court of Gujarat.

j. Assistant Commissioner of Income Tax Circle 4 (1)(1) passed an intimation under section 143(1) read with section 254 of Income Tax Act,1961 ("**I.T. Act**") on December 8, 2022 for Assessment Year 2008-09. Accordingly, a notice of demand was served on our Company on December 30, 2022. Aggrieved by the said demand our Company has filed an appeal on January 27, 2023 before Commissioner of Income Tax (Appeals) on the following grounds: i) Short granting of TDS Credit amounting to ₹ 59.58 Lakhs, ii) Short granting of interest under section 244A of the I.T. Act and iii) Error in determined refund of ₹ 1.57 Lakhs. The matter is currently pending.

k. Our Company has filed an appeal 1540/Ahd-2019 before the Income Tax Appellate Tribunal, Ahmedabad ("**ITAT**") against ITO ward -4(1)(3), Ahmedabad (**"Respondent**") challenging the order dated July 24, 2019 ("**CIT Order**") passed by the Commissioner of Income Tax (Appeals)-8, Ahmedabad ("**CIT Appeal")**. The ITO, had passed an order dated March 3, 2015 under section 143(3) of the Income Tax Act, 1961 ("**IT Act**"), for assessment year 2012-2013 ("**Assessment Order**"). Pursuant to the Assessment Order, the Assessing Officer (i) added the surplus generated under One Time Settlement Scheme of term loans of ₹5,744.05 Lakhs; (ii) disallowed the depreciation by applying provisions of Section 43(1) of the IT Act and reducing the cost of assets on account of waiver of term loans of ₹ 826.37 Lakhs; (iii) disallowed the depreciation amounting to ₹0.70 Lakhs on closed unit; (iv) disallowed the claim of deduction under Section 24 of the IT Act of ₹ 25.18 Lakhs out of which ₹ 84.27 Lakhs were offered as income under the head "Income from House Property"; (v) disallowed the depreciation of ₹ 44.31 Lakhs; (vi) disallowance of depreciation on assets claimed in rectification ₹ 1.32 Lakhs; (vii) disallowance under section 36(1)(va) ₹ 0.92 Lakhs and demanded for these to be taxable. Our Company then filed an appeal before the CIT Appeal against the Assessment Order and the CIT Appeal partly allowed the appeal with respect to point number (ii) and (iv) and dismissed the rest pursuant to the CIT Order. Thereafter, our Company has filed an appeal before the ITAT on October 10, 2019 and the matter is presently pending.

l. The Deputy Commissioner of Income Tax, Ahmedabad ("**DCIT**") filed an appeal no. 1500/Ahd-2019 before Income Tax Appellate Tribunal, Ahmedabad ("**ITAT**") against our Company against the order dated July 24, 2019 ("**CIT Order**") passed by the Commissioner of Income Tax (Appeals)-8, Ahmedabad ("**CIT Appeal**") for the assessment year 2012-2013. Pursuant to the CIT Order, the CIT Appeal ordered for deleting the (i) disallowance of excess claim of depreciation of ₹ 826.37 Lakhs under section 43(1) of the Income Tax Act, 1961 ("**IT Act**") (ii) disallowance of ₹ 25.18 lakh made under section 24 of the IT Act. Thereafter, the DCIT filed an appeal before ITAT on October 3, 2019 and the matter is currently pending.

m. Our Company has filed an appeal no. 1541/Ahd-2019 before the Income Tax Appellate Tribunal, Ahmedabad ("**ITAT**") against Deputy Commissioner of India, ward -4(1)(1), Ahmedabad (**"Deputy Commissioner**") against the order dated July 24, 2019 ("**CIT Order**") passed by the Commissioner of Income Tax (Appeals)-8, Ahmedabad ("**CIT Appeal")**. The DCIT, had passed an assessment order dated March 23, 2016 ("**Assessment Order**") under section 143(3) of the Income Tax Act, 1961 ("**IT Act**"), for assessment year 2013-2014. Pursuant to the Assessment Order, the DCIT (i) added on account of surplus narrated on one time settlement of loans of ₹125,21.78 Lakhs; (ii) disallowed the depreciation by applying provisions of Section 43(1) of the IT Act and reducing the cost of assets on account of waiver of term loans of ₹1,085.94 Lakhs (iii) disallowed the depreciation of ₹0.70 Lakhs on closed unit; and (iv) disallowed the deduction claimed under Section 24 of the IT Act of ₹ 22.91 Lakhs and demanded for these to be taxable. Our Company then filed an appeal before the CIT Appeal and CIT Appeal partly allowed appeal with respect to (ii) and (iv) and dismissed the rest pursuant to CIT Order. Thereafter, our Company filed an appeal before the ITAT on October 10, 2019 against the demand and the matter currently is pending.

n. The Deputy Commissioner of Income Tax ("**DCIT**") filed an appeal no. 1501/Ahd-2019 before the Income Tax Appellate Tribunal, Ahmedabad ("**ITAT**") against our Company against the order dated July 24, 2019 ("**CIT Order**") passed by the Commissioner of Income Tax (Appeals)-8, Ahmedabad ("**CIT Appeal**") for assessment year 2013-2014. Pursuant to the CIT Order, the CIT Appeal ordered for deleting the (i) disallowance of excess claim of depreciation of ₹ 1,085.94 Lakhs under section 43(1) of the Income Tax Act, 1961 ("**IT Act**") (ii) disallowance of ₹ 22.91 Lakhs made under Section 24 of the IT Act. Thereafter, the DCIT filed an appeal before the ITAT on October 3, 2019 and the matter is currently pending.

o. The Assistant Commissioner of Income Tax, TDS Circle, Ahmedabad *vide* its order dated March 16, 2022 (**"Order"**) directed our Company to pay an aggregate amount of ₹ 1.35 Lakhs towards failure of deduction of TDS for the assessment year 2015 – 2016 and interest payable under section 201(1A) of the Income Tax Act, 1961. The Assistant Commissioner of Income Tax *vide* its notices dated March 16, 2022 and June 2, 2022 directed our Company to pay a sum of ₹ 1.35 Lakhs. Aggrieved by the said order our Company has filed an appeal before the Commissioner of Income Tax Appeals on July 16, 2022. The matter is currently pending.

p. Centralized Processing Centre, Bengaluru passed intimation under section 143(1) of Income Tax Act, 1961 ("**I.T. Act**") on December 20, 2021 for Assessment Year 2020-21. Accordingly, a notice of demand was served on our Company on December 24, 2021. Aggrieved by the said demand our Company has filed an appeal on January 19, 2022 before Commissioner of Income Tax (Appeal) ("**CIT(A)**") on the following grounds: i) Disallowance of payment of employees contribution to provident fund of ₹ 1.56 Lakhs under section 36 of the I. T. Act; ii) Disallowance under section 37 of I.T. Act was made for ₹ 816.68 Lakhs. which includes (a) Excise duty of ₹ 629.00 Lakhs; (b) Penalty expenses of ₹ 0.68 Lakhs; (c) Rent payable of ₹ 187.00 Lakhs; iii) Disallowance of interest under section 23 of Micro Small & Medium Enterprises Act, 2006 amounting to ₹ 21.80 Lakhs; iv) Assessing Officer ("**AO**") erred in making addition on account of Income Computation and Disclosure Standards (ICDS) and adjustment and deviation of ₹ 3.49 Lakhs (v) Charging interest under section 234A of the I.T. Act amounting to ₹ 42 Lakhs (vi) Charging of interest under section 234C of the I.T. Act amounting to ₹ 10.60 Lakhs and (vii) Error on the part of the AO in raising demand ₹ 264.93 Lakhs. For the said matter, the Company have received intimation under section 154 of I. T. Act on June 3, 2022 in which the disallowance was reduced to ₹ 33.45 Lakhs and tax demand is pending for the said matter. The matter is currently pending before CIT(A).

q. Centralized Processing Centre, Bengaluru passed an intimation under section 154 of the Income Tax Act, 1961 ("**I.T. Act**") on June 3, 2022 for Assessment Year 2020-21. Accordingly, a notice of demand was served on our Company on February 3, 2023. Aggrieved by the said demand our Company has filed an appeal before the Commissioner of Income Tax Appeals ("**CIT(A)**") on the following grounds: i) Disallowance of Payment of Bonus ₹ 20.31 Lakhs; ii) Disallowance of Ex gratia ₹ 5.62 Lakhs; iii) Disallowance of Payment of Leave Encashment ₹ 7.52 Lakhs; iv) Short Granting of TDS Credit of ₹ 6.38 Lakhs; and v) Error on part of Assessing Officer in reducing tax/ demand of ₹ 8.70 Lakhs from the refund claimed of ₹ 18.31 Lakhs. Aggrieved by the said order and appeal dated March 15, 2023 has been filed by our Company before the Commissioner of Income Tax Appeals. The matter is currently pending.

r. Centralized Processing Centre, Bengaluru passed intimation under section 143(1) of Income Tax. Act, 1961 ("**I.T. Act**") on August 24, 2022 for Assessment Year 2021-22 in which demand of ₹ 2.07 Lakhs was adjusted against the refund amount. Accordingly, a notice of demand was served on our Company on October 18, 2022. Aggrieved by the said demand our Company has filed an Appeal on November 19, 2022 before Commissioner of Income Tax (Appeal), Ahmedabad challenging on the following grounds i) Disallowance under section 40(a) (i) of I.T. Act of ₹ 5.74 Lakhs on account of non-deduction of tax; ii) Disallowance under section 36 of I.T. Act was made for belated payment of employees contribution to P.F. ₹ 2.03 Lakhs; iii) Disallowance of unabsorbed depreciation of earlier years against addition of ₹ 7.77 Lakhs; and iv) charging of interest of ₹ 5,000 under section 234F of the I.T. Act. The matter is currently pending.

Indirect tax:

a. The Commissioner, Central Excise and Customs, Ahmedabad-III, Ahmedabad ("**Appellant**") has filed an appeal no. 848 of 2011 against our Company before the High Court of Gujarat, Ahmedabad ("**High Court**") against the order dated October 21, 2010 passed by the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ("**CESTAT")**. A show cause notice dated September 25, 2007 was issued to our Company, proposing to deny cenvat credit amounting to ₹ 131.45 Lakhs in respect of the cenvatable raw material used for new plant in the trail run during financial year 2004 – 2005 under Rule 12 of Cenvat Credit Rules, 2002 and Rules thereunder by invoking extended period. The Appellant had passed an order in original dated April 3, 2008 ("**Order in Original**") has confirmed the duty demand of ₹131.45 Lakhs against our Company and have also imposed penalty of ₹131.45 Lakhs on our Company. Our Company then filed an appeal before the CESTAT against the Order in Original and the CESTAT allowed the appeal *vide* its order dated October 21,

2010. Thereafter, the Appellant filed an appeal before the High Court against the order of the CESTAT and the matter is presently pending.

b. Our Company has filed an appeal before The Commissioner (Appeals), against the order dated February 4, 2020 ("**Order**") passed by the Deputy Commissioner, Central GST Division, Kalol, Gandhinagar. *Vide* the said Order, the officer had confirmed a demand towards short paid service tax amounting to ₹10.73 Lakhs. Our Company has subsequently filed an appeal before the Commissioner (Appeals), Ahmedabad against the said Order and the Commissioner (Appeals) *vide* its order dated January 10, 2022 set aside the said order and allowed the appeal filed by our Company by way of remand. The matter is currently pending for adjudication.

Litigation involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiary, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations involving our Subsidiary.

B. Matters involving material violations of statutory regulations by our Subsidiary

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Subsidiary.

C. Economic offences where proceedings have been initiated against our Subsidiary

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Subsidiary.

D. Other proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on the date of this Draft Letter of Offer, there are no proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the manufacturing facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards repayment of certain outstanding borrowings including redemption of non-convertible debentures, redemption of outstanding Preference Shares and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on February 8, 2023, pursuant to Section 62 (1) (a)and other applicable provisions of the Companies Act, 2013.

This Draft Letter of Offer has been approved by our Rights Issue Committee, at its meeting held on March 22, 2023.

Our Board or duly constituted Rights Issue Committee in its meeting held on [●] has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an issue price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share), in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s), as held on the Record Date. The Issue Price of ₹ [●] per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 187.

Prohibition by the SEBI

Except as disclosed below, our Company, our Promoters, our Promoter Group or our Directors have not been and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI:

SEBI, *vide* its order dated September 6, 2004 ("**SEBI Order**") under Sections 11 and 11B of the SEBI Act, 1992 read with Regulations 11 and 13 of the - Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 ("**Prohibition of Fraudulent and Unfair Trade Practices Regulations**"), had restrained our Company and its erstwhile directors, *viz*, Vikram Patel, Sharad Patel, Prakash Patel, Rambhai Patel, Hansraj Kanji and Dr. Prakash Trivedi from accessing the securities market and prohibited them to buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of five (5) years from the date of the order. The said SEBI Order was impugned before Securities Appellate Tribunal ("**SAT**") in the appeal filed by our Company and its erstwhile directors. SAT *vide* its order dated August 1, 2007, had remanded it back to SEBI for passing a fresh order in accordance with law. SEBI, by its order dated June 6, 2008 ("**Order**"), determined that our Company had contravened the provisions of Regulation 4 (a) and (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 ("**Prohibition of Fraudulent and Unfair Trade Practices Regulations - 1995**") read with Regulation 13 of Prohibition of Fraudulent and Unfair Trade Practices Regulations. Pursuant to its Order, SEBI by virtue of Section 19 read with Sections 11 and 11B of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 of the Prohibition of Fraudulent and Unfair Trade Practices Regulations – 1995, our Company and erstwhile directors being Vikram Patel and Sharad Patel were restrained from accessing the securities market and prohibited them to buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of five (5) years with effect from June 6, 2008. Further, SEBI *vide* its Order disposed off the show cause notice dated March 14, 2003 issued to other erstwhile Directors being Rambhai Patel, Hansraj Kanji and Dr. Prakash Trivedi without any directions.

The companies with which our Promoters or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoters nor our Directors have been declared as Fugitive Economic Offenders.

Association of our Directors with the securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrower.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the purpose of the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;

2. The reports, statements and information referred to above are available on the website of BSE and NSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENTIS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS

RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 22, 2023, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

    a. **THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

    b. **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    c. **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID. – <u>COMPLIED WITH</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOT APPLICABLE</u>**

5. **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. – <u>NOT APPLICABLE, BEING A RIGHTS ISSUE</u>**

6. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. – <u>NOT APPLICABLE, BEING A RIGHTS ISSUE</u>**

7. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED**

COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE, BEING A RIGHTS ISSUE

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE A COMPANY HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI. – COMPLIED WITH**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. - NOTED FOR COMPLIANCE**

12. **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. – NOT APPLICABLE, BEING A RIGHTS ISSUE**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form, Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlements in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Rights Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR "U.S.") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER / ABRIDGED LETTER OF OFFER, RIGHTS ENTITLEMENT LETTER AND APPLICATION FORMSHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND,

SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

This Draft Letter of Offer has been filed with SEBI for its observations, at Corporation Finance Department of the SEBI, located at Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the Stock Exchanges. After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders Relationship Committee which meets as and when required, to deal with and monitor redressal of complaints from shareholders. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, redressal of investors'/shareholders' grievances, issue of duplicate certificates, Additionally, we have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

The Investor complaints received by our Company are generally disposed of within seven days from the date of receipt of the complaint.

Investor Grievances arising out of this Issue:

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. KFin Technologies Limited *(Formerly KFin Technologies Private Limited)*. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar to the Issue, or our Company Secretary and Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" on page 187.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Selenium Tower –B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad 500 032, Telangana, India.
Telephone: +91 40 6716 2222
E-mail: srmtl.rights@kfintech.com

Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

Sandip Mistry is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Sandip Mistry
18, Corporate House,
Opp. Dinesh Hall, Navrangpura,
Ahmedabad – 380 009, Gujarat, India
Telephone: +91 79-2754 6800/ 900
E-mail: cslegal@srmtl.com

In accordance with SEBI Rights Issue Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at https://rights.kfintech.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (1800 309 4001 / +91 40 6716 2222).

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer, the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up.

Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

I. DISPATCH AND AVAILABILITY OF THE ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:
(i) our Company at www.srmtl.com;
(ii) the Registrar at www.kfintech.com;
(iii) the Lead Manager, i.e., Vivro Financial Services Private Limited at www.vivro.net; and
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.srmtl.com).

Our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

II. PROCESS OF MAKING AN APPLICATION IN THIS ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "- *Procedure for Application through the ASBA Process*" on page 189.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Term of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 199.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "*Terms of the Issue - Grounds for Technical Rejection*" on page 195. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected. Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. For details, see "*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 190.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity

Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

3. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

5. Renounce its Rights Entitlements in full.

Procedure for Application through the ASBA Process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be responsible for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors applying through ASBA

1. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

2. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated, as the Rights Equity Shares will be Allotted in the dematerialized form only.

3. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

4. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional

Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

6. Ensure that you have a bank account with a SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

8. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for investors applying through ASBA

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

3. Do not send your physical Application to the Lead Manager, the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

5. Do not submit Application Form using third party ASBA account.

Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shree Rama Multi-Tech Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option - only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (**United States**), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold only in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (**Regulation S**) to existing shareholders who are located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on*

behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in 'Restrictions on Foreign Ownership of Indian Securities' on page 213.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the U.S. Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense escrow account on behalf of such shareholder. For further details, see "*Terms of the Issue – Credit of Rights Entitlement in dematerialised account of Eligible Equity Shareholders*" on page 199.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and

3. The remaining procedure for Application shall be same as set out in "*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 190.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in *"Terms of the Issue - Basis of Allotment"* beginning on page 208.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making an Application

1. Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

2. The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

3. Application should be made only through the ASBA facility.

4. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

5. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB, prior to making the Application.

6. Please read the instructions on the Application Form sent to you. Application should be complete in all

respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

7. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under *"Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 190.

8. Applications should be submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

9. Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

10. Applications should not be submitted to the Banker(s) to the Issue, our Company or the Registrar or the Lead Manager.

11. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income Tax Act, 1961, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

12. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (**Demographic Details**) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and / or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match 3 parameters i.e., (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

13. By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

15. Investors should provide correct DP ID and Client ID / Folio number (for Eligible Equity Shareholders

who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

17. All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

18. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

19. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

20. Do not submit the General Index Registrar number instead of the PAN as the application is liable to be rejected on this ground.

21. Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

22. Do not pay the Application Money in cash, by money order, pay order or postal order.

23. Do not submit multiple Applications.

24. No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

25. An Applicant being an Overseas Corporate Body (**OCB**) is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

26. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

3. Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to a regulatory order.

6. Account holder not signing the Application or declaration mentioned therein.

7. Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

9. Submitting the General Index Registrar number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

11. Applications by SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

13. Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

15. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

16. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and / or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

17. Applications which have evidence of being executed or made in contravention of applicable securities laws.

18. Applicants holding physical shares not submitting the documents. For further details, see "*Terms of the Issue – Making an application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 192.

19. Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see *"Procedure for Applications by Mutual Funds"* on page 198.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to this Issue as described in *"Capital Structure"* on page 46.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, *inter alia,* the following conditions:

a. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

b. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and the SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (**OCI**) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia,* that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been recently amended to state that all investments by entities incorporated in a country which shares a land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (**Restricted Investors**), will require prior approval of the Government. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies (**NBFC-SI**)*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of Reserve Bank of India Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●] i.e., Issue Closing Date. Our Board and, or, the Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding thirty days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with a SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as set out in entitled *"Terms of the Issue - Basis of Allotment"* on page 208.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified, and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of the Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID and PAN. The link for the same shall also be available on the website of our Company (i.e., www.srmtl.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for subscription of Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The ISIN for the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date. The ISIN for the Rights Entitlements shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.kfintech.com
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by our Company: www.kfintech.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.kfintech.com
- Submission of self-attested PAN and valid Indian address proof client master sheet and demat account details by non-resident Eligible Equity Shareholders: srmtl.rights@kfintech.com

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (**On Market Renunciation**); or (b) through an off-market transfer (**Off Market Renunciation**), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the CDSL and NSDL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the

Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act, 1961. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" on page 40.

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in this Issue.

The Issue Price for the Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per the SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for the Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for the Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for the Additional Rights Equity Shares, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Rights Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in principle approval from the BSE *vide* letter bearing reference number [●] and the NSE *vide* letter bearing reference numbers [●] dated [●].

Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532310) and NSE (Scrip Code: SHREERAMA) under the ISIN INE879A01019. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded / unblocked within four days after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of the 4th day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter

For details of the intent and extent of subscription by our Promoter, see *"Capital Structure - Intention and extent of participation by our Promoters"* on page 47.

Rights of Holders of the Rights Equity Shares of our Company

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

1. The right to receive dividend, if declared;

2. The right to vote in person, or by proxy, except in case of the Rights Equity Shares credited to the demat;

3. The right to receive surplus on liquidation;

4. The right to free transferability of the Rights Equity Shares;

5. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and

6. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where 2 or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad, where our Registered Office is situated).

This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including Additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for Allotment of the Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of the Rights Equity Shares and issue of the Rights Entitlement Letters / letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar, at KFin Technologies Limited (*Formerly KFin Technologies Private Limited*), Selenium, Tower B, Plot No- 31 and 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such Allotments made by relying on such approvals.

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which the Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to einward.ris@kfintech.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "*TERMS OF THE ISSUE - ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS*" ON PAGE 209.

VIII. ISSUE SCHEDULE

Particulars	Day and Date
Last Date for credit of the Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of the Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding thirty days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding

Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.srmtl.com).

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

2. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with ‘zero’ entitlement, would be given preference in allotment of 1 additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (1) above. If number of Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Rights Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

X. ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within fifteen days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. However, the Company is unable to trace the tripartite agreement with CDSL and NSDL in record. For further details see "*Risk Factor 8 - Certain corporate records of our Company are not traceable such as tripartite agreement with CDSL and NSDL*" on page 23.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in the Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Rights Equity Shares in physical form / with IEPF authority / in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice / refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least

₹east ,000 or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than 6 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than 3 years) and fine of an amount not less than the amount involved in the fraud, extending up to 3 times of such amount. Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than 3 years. In case the fraud involves (i) an amount which is less than ₹ 1000,000 or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to 5 years or a fine of an amount extending up to ₹ 5,000,000 or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;

2. Details of all monies utilized out of this Issue referred to under (1) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. Details of all unutilized monies out of this Issue referred to under (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

4. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the timeline specified by SEBI.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within fifteen days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications.

7. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer and the Letter of Offer, carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and the Letter of Offer and must be

carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed 'Shree Rama Multi-Tech Limited - Rights Issue' on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   KFin Technologies Limited
   (*Formerly KFin Technologies Private Limited*)
   Selenium Tower – B, Plot 31 & 32,
   Gachibowli, Financial District,
   Nanakramguda, Serilingampally,
   Hyderabad – 500 032, Telangana, India.
   Telephone: +91 40 6716 2222
   E-mail: srmtl.rights@kfintech.com
   Investor grievance E-mail: einward.ris@kfintech.com
   Website: www.kfintech.com
   Contact Person: M. Murali Krishna
   SEBI Registration No.: INR000000221

3. In accordance with the SEBI Rights Issue Circular, frequently asked questions, and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar https://rights.kfintech.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is (1800 309 4001 / +91 40 6716 2222).

4. The Issue will remain open for a minimum seven days. Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding thirty days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The Rights Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and the Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at https://www.srmtl.com from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated March 22, 2023 between our Company and the Lead Manager.

2. Registrar Agreement dated March 21, 2023 between our Company and the Registrar to the Issue.

3. Bankers to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation dated December 17, 1993, issued by the Registrar of Companies, Gujarat.

3. Certificate of commencement of business dated January 11, 1994, issued by the Registrar of Companies, Gujarat.

4. Prospectus dated January 28, 2000, in respect of the IPO of equity shares of face value of ₹5 each by our Company.

5. Copies of annual reports of our Company for Fiscals 2018, 2019, 2020, 2021 and 2022.

6. Resolution of our Board dated February 8, 2023 approving the Issue.

7. Resolution of our Rights Issue Committee dated March 22, 2023, approving this Draft Letter of Offer.

8. Resolution of our Board/ Rights Issue Committee dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

9. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Lead Manager, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, Chartered Engineer and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.

10. Consent dated March 15, 2023 bearing reference no. SY/BD/SRMTECH/CR/2023/CH1048 from CRISIL Limited to use their name and all or any part of their report titled "*CRISIL MI&A - Assessment of Polymer Packaging Industry in India*" prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited in this Draft Letter of Offer.

11. Consent from M/s. Chandulal M. Shah & Co., Chartered Accountants to be named as the Previous Statutory Auditors of the Company in this Draft Letter of Offer.

12. The reports of M/s. Chandulal M. Shah & Co., Chartered Accountants, dated March 17, 2023 on the Audited Financial Information included in this Draft Letter of Offer.

13. Consent from M/s. Mahendra N. Shah & Co., Chartered Accountants to be named as the Statutory Auditors of the Company, to include name in this Draft Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of (i) Unaudited Financial Results along with their Limited Review Report issued thereon dated February 8, 2023; and (ii) the statement of possible special tax benefits available

to our Company and its shareholders dated March 22, 2023.

14. The reports of the Statutory Auditors, being M/s. Mahendra N. Shah & Co., Chartered Accountants dated February 8, 2023 on the Unaudited Financial Results of our Company included in this Draft Letter of Offer.

15. Statement of Possible Special Tax Benefits dated March 22, 2023 from the Statutory Auditors.

16. In-principle approval issued by the BSE dated [●] and the NSE dated [●].

17. Due diligence certificate dated March 22, 2023, addressed to SEBI from the Lead Manager.

The Company is unable to trace the tripartite agreement with CDSL and NSDL in record. For further details, see "*Risk Factor - Certain corporate records of our Company are not traceable such as tripartite agreement with CDSL and NSDL*" on page 23. Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shailesh Khushaldas Desai
Managing Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Hemal Rohitkumar Shah
Whole Time Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

M.K.

Mittal Karsanbhai Patel
Non Executive (Non-Independent) Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pathik Chandrakant Shah
Independent Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vandana Chandreshbhai Patel
Non Executive (Non-Independent) Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shalin Sudhakarbhai Patel
Independent Director

Date: 22/03/2023

Place: Ahmedabad

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

K. G. Shah

Krunalkumar G. Shah
Chief Financial Officer

Date: 22/03/2023

Place: Ahmedabad