

## ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

### FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated May 25, 2023 (“Letter of Offer”) which is available on the websites of the Registrar, our Company, the Lead Manager and the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, and together with BSE, the “Stock Exchanges”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the same meaning ascribed to them in the Letter of Offer.

### THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

Our Company has made available on the Registrar’s website at <https://rights.kfintech.com> and the Company’s website at [www.srmtl.com](http://www.srmtl.com), this Abridged Letter of Offer and the Application Form for the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges and the Lead Manager to the Issue i.e., Vivro Financial Services Private Limited at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.vivro.net](http://www.vivro.net), respectively.



SHREE RAMA MULTI-TECH LIMITED

## SHREE RAMA MULTI-TECH LIMITED

**Registered Office:** 18, Corporate House, Opp. Dinesh Hall, Navrangpura, Ahmedabad – 380 009, Gujarat, India

**Telephone:** +91 79 2754 6800/ 900; **Email:** [cslegal@srmtl.com](mailto:cslegal@srmtl.com)

**Contact Person:** Sandip Mistry, Company Secretary and Compliance Officer

**Email:** [cslegal@srmtl.com](mailto:cslegal@srmtl.com); **Website:** [www.srmtl.com](http://www.srmtl.com)

**Corporate Identification Number:** L25200GJ1993PLC020880

### PROMOTERS OF THE COMPANY

NIRMA CHEMICAL WORKS PRIVATE LIMITED AND NIRMA INDUSTRIES PRIVATE LIMITED

### ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UP TO 7,00,00,000 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 ₹ 9 EACH INCLUDING A SHARE PREMIUM OF ₹ 4 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UPTO ₹ 6,300\* LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 11 (ELEVEN) RIGHTS EQUITY SHARE(S) FOR EVERY 10 (TEN) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, MAY 30, 2023 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.8 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 198 OF THE LETTER OF OFFER.

\*Assuming full subscription

**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 April 6, 2023 and April 10, 2023, 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.

**Procedure:** If you wish to know about processes and procedures applicable to Rights Issues, you may refer section titled “Terms of the Issue” on page 198 of the Letter of Offer. You may also download the Letter of Offer from the websites of the Company, SEBI, BSE, NSE, Registrar, the Lead Manager to the Issue as stated above. You can also request the Lead Manager to the Issue, BSE or NSE to provide a hard copy of Letter of Offer. Please note that in terms of Regulation 72(5) of the SEBI ICDR Regulations, the Lead Manager and the Stock Exchanges may charge a reasonable amount for providing hard copy of the Letter of Offer.

### 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 Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations :** 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 the Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

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**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.

### INDICATIVE TIMETABLE<sup>#</sup>

<b>Issue Opening Date</b>	Monday, June 12, 2023	<b>Date of Allotment / Initiation of Refunds (on or about)</b>	Monday, July 10, 2023
<b>Last Date for On Market Renunciation of Rights Entitlements*</b>	Wednesday, June 21, 2023	<b>Date of credit of Rights Equity Shares to demat account of Allottee (on or about)</b>	Wednesday, July 12, 2023
<b>Issue Closing Date<sup>#</sup></b>	Monday, June 26, 2023	<b>Date of listing / Commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about)</b>	Thursday, July 13, 2023
<b>Finalisation of Basis of Allotment (on or about)</b>	Friday, July 7, 2023		

*\*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.*

### NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, this 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.

#### **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 THE 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 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.

## ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

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.

### 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 the Letter of Offer. Specific attention of the Investors is invited to the section “Risk Factors” on page 19 of the Letter of Offer and “Internal Risk Factors” on page 5 of this Abridged Letter of Offer before making an investment in the Issue.

<b>Name of Lead Manager to the Issue and contact details</b>	<b>Vivro Financial Services Private Limited</b> Vivro House, 11, Shashi Colony, Opposite Suidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India. <b>Telephone:</b> +91 79 4040 4242; <b>E-mail:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> ; <b>Website:</b> <a href="http://www.vivro.net">www.vivro.net</a> ; <b>Investor grievance E-mail:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> ; <b>Contact Person:</b> Samir Santara / Kruti Saraiya; <b>SEBI Registration No.:</b> INM000010122
<b>Name of Registrar to the Issue and contact details</b>	<b>KFin Technologies Limited</b> Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India. <b>Telephone:</b> +91 40 6716 2222 <b>E-mail:</b> <a href="mailto:srmtl.rights@kfintech.com">srmtl.rights@kfintech.com</a> <b>Investor grievance E-mail:</b> <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>Contact Person:</b> M. Murali Krishna; <b>SEBI Registration No.:</b> INR000000221
<b>Name of Statutory Auditor</b>	<b>M/s. Mahendra N. Shah &amp; Co., Chartered Accountants</b>
<b>Self-Certified Syndicate Banks (“SCSBs”)</b>	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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> 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.
<b>Banker(s) to the Issue/ Refund Bank</b>	<b>RBL Bank Limited</b> 6th Floor, Tower 2B, One Indiabulls Centre, Lower Parel, Mumbai – 400 013 <b>Contact Person:</b> Sidhartha Routray <b>Telephone:</b> +91 22 4302 0648 <b>E-mail:</b> <a href="mailto:escrowops@rblbank.com">escrowops@rblbank.com</a> <b>Website:</b> <a href="http://www.rblbank.com">www.rblbank.com</a> <b>SEBI Registration No.:</b> INBI00001123 <b>CIN:</b> L65191PN1943PLC007308

### 1. 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.

For further details, refer chapter titled “Our Business” on page 94 of the Letter of Offer.

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### 2. Summary of Objects of the Issue and Means of Finance

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*	19.65
<b>Net Proceeds</b>	<b>6,191.51</b>

*\*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.*

#### **Purposes for which the loan was taken**

The Company has certain outstanding borrowings including non-convertible debentures (collectively referred to as “**Borrowing**”) which were originally availed by the Company from banks and financial institutions (“**Lenders**”) in the fiscal year 1999-2000 and 2000-2001, during the regime of the Erstwhile Promoters, for the purpose of capital expenditure, working capital requirements etc.

#### **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 the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

For further details, see “*Objects of the Issue*” on page 57 of the Letter of Offer.

### 3. Name of 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 Regulations.

### 4. Shareholding Pattern

**Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of SEBI Listing Regulations:**

- a. The shareholding pattern of our Company as on March 31, 2023, 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 “*Promoters and Promoter Group*” including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2023, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532310&qtrid=109.00&QtrName=March%202023> 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 March 31, 2023, 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=March%202023> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHREERAMA&tabIndex=equity>

### 5. Board of Directors

Sr. No.	Name	Designation	Other Directorships
1.	Shailesh Khushaldas Desai	Managing Director	Nil
2.	Hemal Rohitkumar Shah	Whole Time Director	Nil
3.	Mittal Karsanbhai Patel	Non-Executive (Non-Independent) Director (Chairman)	1. Navin Global Private Limited
4.	Pathik Chandrakant Shah	Independent Director	1. Atlantis Products Private Limited
5.	Vandana Chandreshbhai Patel	Non-Executive (Non-Independent) Director	Nil
6.	Shalin Sudhakarbhai Patel	Independent Director	1. Arvee Laboratories (India) Limited 2. Applitech Infotech Private Limited; and 3. Arvee Speciality Chemicals Private Limited

For further details, see “*Our Management and Organisational Structure*” on page 102 of the Letter of Offer.

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6. Neither our Company nor any of our Promoters or any of our Directors have been categorized as a Wilful Defaulter or a 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.

### 7. Financial Statement Summary

The details of certain financial information as of nine months period ended December 31, 2022 which are derived from our Unaudited Financial Statement and Fiscal March 31, 2022 which are derived from our Audited Financial Statement, respectively are as follows:

*(₹ in lakhs, except for share data, percentage or as stated)*

Particulars	For the nine months period ended on December 31, 2022	Fiscal 2022	Fiscal 2021
Total income from operations (net)	14,921.36	15,031.47	13,580.13
Net Profit/(Loss) before Tax and extraordinary items	331.34	(492.23)	343.30
Profit/(Loss) after Tax and extraordinary items	126.44	(492.23)	343.30
Equity Share Capital*	N.A.	3,176.03*	3,176.03*
Reserves and Surplus	N.A.	(825.41)	(349.76)
Net Worth <sup>^</sup>	2,590.04	2,462.11	2,937.76
Basic earnings per share	0.20	(0.78)	0.54
Diluted earnings per share	0.20	(0.78)	0.54
Net asset value per share	4.08	3.88	4.63
Return on Net Worth (RONW)	4.88%	(19.99%)	11.69%

*\*This includes ₹2.63 Lakhs pertaining to forfeited share capital to be deducted while calculating paid-up share capital.*

*<sup>^</sup>The Company has accounted for interest income on tax refunds of earlier years amounting to ₹ 111.49 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. Net worth for Fiscal 2021, Fiscal 2022 and nine months ended on December 31, 2022 has been revised/restated accordingly.*

For further details, see "Financial Statements" on page 106 of the Letter of Offer.

### 8. Internal Risk Factors

The below mentioned are top 10 risk factors as per the Letter of Offer:

- Our Company proposes to utilise approximately 83.00% 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 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.
- 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 had been barred by SEBI for accessing securities market in the past during the regime of the Erstwhile Promoters.
- 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 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 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.

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8. 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.
9. Information relating to the installed capacity, actual production and capacity utilisation of our manufacturing facility included in the Letter of Offer are based on various assumptions and estimates, and future production and capacity may vary.
10. We have incurred significant indebtedness. Our indebtedness could adversely affect our business, prospects, financial conditions, results of operations and cash flows.

### 9. Summary of Outstanding Litigations and Default

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

Nature of Cases	Number of Cases	Amount Involved* (₹ in lakhs)
<b>LITIGATIONS INVOLVING OUR COMPANY</b>		
<b>A. Proceedings involving moral turpitude or criminal liability on our Company</b>		
– Filed by our Company	18	74.28
– Filed against our Company for which the matter is currently pending for disposal	9	-
<b>B. Proceedings involving material violations of statutory regulation by our Company</b>		
	-	-
<b>C. Tax Matters</b>		
– Direct Tax	17	1,088.63
– Indirect Tax	2	273.63
<b>D. Matters involving economic offences where proceedings have been initiated against our Company</b>		
	-	-
<b>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</b>		
– 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 182 of the Letter of Offer.

### 10. Terms of the Issue

#### *Process of making an Application in this Issue*

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circular and the 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 “*Terms of the Issue – Procedure for Application through the ASBA process*” on page 200 of the Letter of Offer.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, 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 210 of the Letter of Offer.

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**

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shall be treated as incomplete and shall be rejected. For details see “*Terms of the Issue – Grounds for Technical Rejection*” on page 206 of the Letter of Offer. 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 201 of the Letter of Offer.

### ***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.

### ***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 authorizing 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);

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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 ₹ 9 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 Purchases and Resales’ on page 224 of the Letter of Offer.*

*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.



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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 account on behalf of such shareholder. For further details, see "*Terms of the Issue – Credit of Rights Entitlement in dematerialised accounts of Eligible Equity Shareholders*" on page 210 of the Letter of Offer.

Prior to the Issue Opening Date, the Rights Entitlements of those resident 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 201 of the Letter of Offer.

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.**

### **Issue Price**

Each Rights Equity Share is being offered at a price of ₹ 9 per Rights Equity Share (including premium of ₹ 4 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 11 (Eleven) Rights Equity Shares for every 10 (Ten) 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 11 (Eleven) Rights Equity Shares for every 10 (Ten) 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 10 (Ten) Equity Shares or is not in the multiple of 10 (Ten) 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.

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For example, if an Eligible Equity Shareholder holds 15 (Fifteen) Equity Shares, such Equity Shareholder will be entitled to 16.5 Rights Equity Share and will also be given a preferential consideration for the Allotment of 1 (One) Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 11 (Eleven) Rights Equity Shares for every 10 (Ten) Equity Shares held as on the Record Date, hence there would be no Eligible Equity Shareholders entitled for 'zero' entitlement for the Rights Equity Shares.

### ***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 INE879A20019. 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 Thursday, June 22, 2023 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 Exchanges 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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*TERMS OF THE ISSUE – PROCESS OF MAKING APPLICATION IN THE ISSUE*" ON PAGE 199 OF THE LETTER OF OFFER.

### **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**

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**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 INE879A20019 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 Monday, June 12, 2023 to Wednesday, June 21, 2023 (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 INE879A20019 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+1 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 Renounees on or prior to the Issue Closing Date to enable Renounees 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 INE879A20019, 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.

### **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 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.

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### 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 prescribed under the section “*Terms of the Issue - Basis of Allotment*” on page 219 of the Letter of Offer. 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.

### 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.

### 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 and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the 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 the Letter of Offer, members of our Promoter Group (other than our Promoters), do not hold any Equity Shares in the Company.

11. **Availability of offer document of the immediately preceding public issue or rights issue for inspection:** Not Applicable.
12. **Any other important information as per Lead Manager and the Issuer:** Nil

### DECLARATION BY THE COMPANY

We hereby declare that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We 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.

We further certify that all disclosures made in the Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-  
**Shailesh Khushaldas Desai**  
Managing Director  
Place: Ahmedabad

Sd/-  
**Pathik Chandrakant Shah**  
Independent Director  
Place: Ahmedabad

Sd/-  
**Hemal Rohitkumar Shah**  
Whole-Time Director  
Place: Ahmedabad

Sd/-  
**Vandana Chandreshbhai Patel**  
Non-Executive (Non-Independent) Director  
Place: Ahmedabad

Sd/-  
**Mittal Karsanbhai Patel**  
Non-Executive (Non-Independent) Director  
Place: Ahmedabad

Sd/-  
**Shalin Sudhakarbhai Patel**  
Independent Director  
Place: Orlando, USA

Sd/-  
**Krunalkumar G. Shah**  
Chief Financial Officer  
Place: Ahmedabad

**Date:** May 25, 2023