Letter of Offer
Dated [●], 2020
For Eligible Equity Shareholders only

MOLD-TEK PACKAGING LIMITED

Mold-Tek Packaging Limited was originally incorporated as Tresure Paks Private Limited, a private limited company on February 28, 1997, at Hyderabad, under the provisions of the Companies Act, 1956. Subsequently, the name of our Company was changed to Tresure Paks Limited on August 10, 2007. Subsequently, the name of our Company was changed to Moldtek Plastics Limited with effect from August 20, 2007. Thereafter the name of our Company was changed to its present name Mold-Tek Packaging Limited with effect from March 12, 2010. For details of change in our name and the registered office of our Company, see "*General Information*" on page 36.

Registered Office and Corporate Office: 8-2-293/82/A/700, Ground Floor Road No 36, Jubilee Hills, Hyderabad, Telangana 500033
Tel: (91 40) 4030 0323 **E-mail:** cs@moldtekpackaging.com | **Website**: www.moldtekpackaging.com|
Corporate Identity Number: L21022TG1997PLC026542

PROMOTERS OF OUR COMPANY: JANUMAHANTI LAKSHMANA RAO, ADIVISHNU SUBRAMANYAM AND PATTABHI VENKATESWARA RAO

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF MOLD-TEK PACKAGING LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [●]* PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) ALONG WITH [●] DETACHABLE WARRANT(S) FOR CASH AT A PRICE OF ₹ [●] PER DETACHABLE WARRANT FOR EVERY [●] RIGHTS EQUITY SHARE ALLOTTED IN THE ISSUE, (TOGETHER WITH THE RIGHTS EQUITY SHARES, THE "RIGHTS SECURITIES"), FOR AN AMOUNT COLLECTIVELY NOT EXCEEDING ₹ [●] LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] ([●]) RIGHTS EQUITY SHARES FOR EVERY [●] ([●]) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●], 2020 (THE "ISSUE"). *For further details,* see "*Terms of the Issue*" *beginning on page 132.*

NOTICE TO NON-RESIDENT INVESTORS

NON-RESIDENT SHAREHOLDERS SHOULD REFER TO RULE 7 OF FEMA RULES (*as defined hereinafter*) AS PER WHICH A PERSON RESIDENT OUTSIDE INDIA AND HAVING AN INVESTMENT IN AN INDIAN COMPANY IS NOT PERMITTED TO MAKE INVESTMENTS IN SHARE WARRANTS ISSUED BY AN INDIAN COMPANY IN A RIGHTS ISSUE. ACCORDINGLY, NON-RESIDENT SHAREHOLDERS DESIROUS OF PARTICIPATING IN THE ISSUE MUST OBTAIN PRIOR APPROVAL FROM THE RESERVE BANK OF INDIA BEFORE THE ISSUE CLOSING DATE. *For further details, please see "Notice to non-resident Eligible Equity Shareholders" on page* 10, *"Risk Factors - A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to the Rights Securities in the Issue" on page* 27 and "*Terms of the Issue" on page* 132.

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES

Amount Payable per Rights Equity Share	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Rights Committee at its sole discretion, from time to time	[●]	[●]	[●]
Total (₹)	[●]	[●]	[●]

**For further details on Payment Schedule, see "Terms of the Issue" on page* 138.

PAYMENT SCHEDULE FOR THE DETACHABLE WARRANTS

Amount payable per detachable Warrant (Due Date)	Face Value (₹)	Total (₹)
On Application	[●]	[●]
On Warrant Exercise	[●]	[●]
Total (₹)	[●]	[●]

**For further details on Payment Schedule, see "Terms of the Issue" on page* 141.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 18 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 makes this 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 of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Securities to be allotted pursuant to the Issue through their letters dated [●], 2020 and [●], 2020, respectively. For the purposes of the Issue, the Designated Stock Exchange is **[●]**.

LEAD MANAGERS	REGISTRAR TO THE ISSUE
Emkay Global Financial Services Limited 7th Floor, The Ruby Senapati Bapat Marg, Dadar - West Mumbai 400 028 Tel: +91 22 66121212 E-mail: moldtekpack.ri@emkayglobal.com Investor grievance e-mail: ibg@emkayglobal.com Website: www.emkayglobal.com Contact person: Deepak Yadav / Wincy Nadar SEBI registration number: INM000011229	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai 400 083 Tel: +91 22 4918 6000 E-mail: moldtek.rights@linkintime.co.in Investor grievance e-mail: moldtek.rights@linkintime.co.in Website: www.linkintime.co.in Contact person: Sumeet Deshpande SEBI registration number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON
[●], 2020	[●], 2020

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits" and "Financial Information" on pages 48 and 62, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
"Our Company", "the Company" or "the Issuer"	Mold-Tek Packaging Limited, having its registered and corporate office situated at 8 – 2 – 293/82/A/700, Ground floor, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India.
"We", "us", "our" or "Group"	Unless the context otherwise indicates or implies or unless otherwise specified, our Company together with our Subsidiary, on a consolidated basis.

Company related terms

Term	Description
"Articles of Association", "Articles" or "AoA"	The articles of association of our Company, as amended.
"Audited Financial Statements"	The audited consolidated financial statements of our Company which includes its Subsidiary as at and for the year ended March 31, 2020 which comprises of the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
"Board of Directors" or "Board"	Board of directors of our Company or a duly constituted committee thereof.
"Chairman and Managing Director"	The Chairman and Managing Director of our Company.
"Corporate Office"	8 – 2 – 293/82/A/700, Ground floor, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India.
"Director(s)"	Any or all the directors on our Board, as may be appointed from time to time.
"Equity Shareholder"	A holder of Equity Shares, from time to time.
"Equity Shares"	The equity shares of our Company of face value of ₹ 5 each.
"ESOP Plan"	MTPL Employees Stock Option Scheme and the MTPL Employees Stock Option Scheme – 2016.
"Executive Director"	Executive director(s) of our Company, unless otherwise specified.
"Financial Statements"	Audited Financial Statements and Limited Review Financial Information.
"Independent Director"	A non-executive and independent director of our Company as per the Companies Act, 2013 and the SEBI Listing Regulations.
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended.
"Non-Executive Director"	A Director, not being an Executive Director of our Company.
"Promoter Group"	The promoter group of our Company is as disclosed by our Company in its filings to Stock Exchanges.
"Promoters"	Janumahanti Lakshmana Rao, Adivishnu Subramanyam and Pattabhi Venkateswara Rao.
"Registered Office"	Registered office of our Company situated at 8 – 2 – 293/82/A/700, Ground floor, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad.
"Rights Committee"	The committee of our Board constituted through the resolution dated September 21, 2020.

Term	Description
"Statutory Auditors"	The statutory auditors of our Company, namely, M.Anandam & Co, Chartered Accountants.
"Subsidiary"	Mold-Tek Packaging FZE.

Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
"Allot", "Allotment" or "Allotted"	Allotment of Rights Securities pursuant to this Issue.
"Allotment Accounts"	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and 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 Account Banks"	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
"Allotment Date"	Date on which the Allotment shall be made pursuant to this Issue.
"Allottee(s)"	Person(s) who shall be Allotted Rights Securities pursuant to the Allotment.
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Securities pursuant to this Issue in terms of this Letter of Offer.
"Application"	Application made through (i) 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, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Securities at the Issue Price.
"Application Form"	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Securities in this Issue.
"Application Money"	Aggregate amount payable at the time of Application, i.e., ₹ [●] per Rights Securities (i.e. ₹ [●] per Rights Equity Share and ₹ [●] per Warrant) in respect of the Rights Securities applied for in this Issue.
"Application Supported by Blocked Amount" or "ASBA"	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
"ASBA Account"	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
"Basis of Allotment"	The basis on which the Rights Securities will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "*Terms of the Issue*" on page 160.
"Bankers to the Issue"	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
"Call(s)"	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies.
"Call Money(ies)"	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule of Rights Equity Shares, being ₹ [●] per Rights Equity Share (75% of the price of Rights Equity Shares) after payment of the Application Money.
"Call Record Date"	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time.
"Designated Branches"	Such 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

Term	Description
	the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time.
"Designated Stock Exchange"	[●].
"Eligible Equity Shareholders"	Equity Shareholders of our Company on the Record Date.
"Escrow Account"	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
"Escrow Agreement"	Agreement dated October 12, 2020 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for receipt of the Application Money in the Escrow Account from Applicants making an Application through R-WAP facility, including for the purposes of refunding the surplus funds remitted by such Applicants after Basis of Allotment, remitting funds to the Allotment Accounts from the Escrow Account and SCSBs in case of Allottees, release of funds from Allotment Accounts to our Company and other persons, as applicable and providing such other facilities and services as specified in the agreement.
"Escrow Collection Bank"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited.
"Issue"	Issue of [●] Rights Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) along with [●] detachable Warrants, for cash at a price of ₹ [●] per detachable Warrant for every [●] Rights Equity Share allotted in the Issue, for an amount collectively not exceeding ₹ [●] lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. On Application, Investors will have to pay ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Rights Committee at its sole discretion, from time to time and upon the Warrant holders exercising their option to subscribe to Equity Shares against the Warrants.
"Issue Agreement"	Issue agreement dated [●], 2020 between our Company, the Lead Manager, pursuant to which certain arrangements are agreed to in relation to this Issue.
"Issue Closing Date"	[●], 2020.
"Issue Opening Date"	[●], 2020.
"Issue Period"	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
"Issue Price"	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) and ₹ [●] per Warrant. On Application, Investors will have to pay ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Rights Committee at its sole discretion, from time to time and upon the Warrant holders exercising their option to subscribe to Equity Shares against the Warrants.
"Issue Proceeds" / "Gross Proceeds"	Gross proceeds of this Issue.
"Issue Size"	Aggregate amount not exceeding ₹ [●] lakhs.
"Lead Manager"	Emkay Global Financial Services Limited.
"Letter of Offer"	This letter of offer dated [●], 2020 filed with the Designated Stock Exchange, with SEBI and NSE for purposes of record keeping.
Limited Review Financial Information	Limited review consolidated financial information of our Company for the three months period ended June 30, 2020, including the notes thereto and reports thereon.
"MCA Circulars"	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India read with General Circular No. 27/2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India.
"Net Proceeds"	Issue Proceeds less Issue related expenses.

Term	Description
"On Market Renunciation"	The renunciation 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 Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], 2020.
"Off Market Renunciation"	The renunciation 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 Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
"Payment Schedule of Rights Equity Shares"	Payment schedule under which 25% of the price of the Rights Equity Shares is payable on Application, i.e., ₹ [●] per Rights Equity Share, and the balance unpaid capital constituting 75% of the price of the Rights Equity Shares i.e., ₹ [●] will have to be paid, on one or more subsequent Call(s), as determined by the Rights Committee at its sole discretion, from time to time.
"Payment Schedule of Warrants"	Payment schedule under which 25% of the price of the Warrants is payable on Application, i.e., ₹ [●] per Warrant, and the balance unpaid capital constituting 75% of the price of the Warrants i.e., ₹ [●] will have to be paid upon Warrant holders exercising their option to subscribe to Equity Shares against the Warrants.
"Record Date"	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Securities, being [●], 2020.
"Refund Account Bank"	The Bankers to the Issue with whom the refund account will be opened, in this case being ICICI Bank Limited.
"Registrar to the Issue" or "Registrar"	Link Intime India Private Limited.
"Registrar Agreement"	Agreement dated October 12, 2020 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
"Renouncee(s)"	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
"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 [●], 2020 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.
"Rights Entitlements" / "REs"	The right to apply for the Rights Securities, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being [●] Rights Equity Share for every [●] Equity Shares held by an Eligible Equity Shareholder, on the Record Date along with [●] detachable Warrants for every [●] Rights Equity Share Allotted in the Issue, excluding any fractional entitlements.
"Rights Entitlement Letter"	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and on the website of our Company.
"Rights Equity Shareholders"	A holder of the Rights Equity Shareholders, from time to time.
"Rights Equity Shares"	Equity shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment.
Rights Securities	Rights Equity Shares along with the detachable Warrants.
"R-WAP"	Registrar's web based application platform accessible at www.linkintime.co.in, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 extended by and the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, for accessing/ submitting online Application Forms by resident Investors.
"SCSB(s)"	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time.
"Stock Exchanges"	Stock exchanges where our Equity Shares are presently listed, being BSE and NSE.
"Transfer Date"	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in

Term	Description
	respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Warrant(s)	The detachable warrants exercisable for Equity Shares offered along with the Rights Equity Shares under this Issue in accordance with the terms and conditions specified in the section titled "*Terms of the Issue*" on page 132.
Warrant Exercise Application Form	A form as prescribed by our Company to be submitted by Warrant holders desirous of tendering their Warrants for conversion into Equity Share in the Warrant Exercise Period, or, upon publication of the public notice in connection with the aforesaid call option as the case may be.
Warrant Exercise Period	A period that commences on the completion of the 1st month from the date of allotment of the Warrants and shall continue up to the completion of the 18th month from the date of allotment of the Warrants.
Warrant Exercise Price	The balance amount payable by the holders of the Warrants pursuant to the Payment Schedule of Warrants, being ₹ [●] per Warrant (75% of the price of Warrants) after payment of the Application Money.
"Wilful Defaulter"	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such.
"Working Day(s)"	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Securities on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional terms or Abbreviations

Term /Abbreviation	Description / Full Form
"₹", "Rs.", "Rupees" or "INR"	Indian Rupee.
"AED"	United Arab Emirates Dirham
"AIF(s)"	Alternative investment funds, 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, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
"BSE"	BSE Limited.
"CDSL"	Central Depository Services (India) Limited.
"Central Government" / "Government of India" / "GoI"	Central Government of India.
"CIN"	Corporate identity number.
"Companies Act, 1956"	Erstwhile Companies Act, 1956 along with the rules made thereunder.
"Companies Act, 2013" / "Companies Act"	Companies Act, 2013 along with the rules made thereunder.
"Depositories Act"	Depositories Act, 1996.
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
"DIN"	Director identification number.
"DIPP"	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
"DP" / "Depository Participant"	Depository participant as defined under the Depositories Act.
"DP ID"	Depository participant identification.
"DPIT"	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
"EBITDA"	Profit for the year before finance costs, depreciation, amortisation and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements.

Term /Abbreviation	Description / Full Form
"EPS"	Earnings per share.
"FCNR Account"	Foreign Currency Non-Resident Account.
"FDI"	Foreign direct investment.
"FDI Policy"	The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017 effective from August 28, 2017.
"FEMA"	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year" / "FY" / "Fiscal"	Period of 12 months ended March 31 of that particular year.
"FPI"	Foreign Portfolio Investor as defined under the SEBI FPI Regulations, registered with SEBI under applicable laws in India.
"Fugitive Economic Offender"	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
"FUTP Regulations"	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
"FVCIs"	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
"Government"	Central Government and/or the State Government, as applicable.
"IEPF"	Investor Education and Protection Fund
"India"	Republic of India.
"Indian GAAP"	Generally Accepted Accounting Principles followed in India.
"Ind AS"	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
"ISIN"	International securities identification number.
"Income-tax Act"	Income-tax Act, 1961.
"Listing Agreement"	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015.
"MB"	Mega Byte
"MCA"	The Ministry of Corporate Affairs, Government of India.
"Mutual Fund"	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"N.A." / "N/A"	Not applicable.
"NACH"	National Automated Clearing House.
"Net Worth"	The aggregate value of the paid-up share capital (including instruments classified as equity) and all reserves created out of the profits and 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.
"NEFT"	National Electronic Fund Transfer.
"NRE Account"	Non-resident external account.
"NRI"	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
"NRO Account"	Non-resident ordinary account.
"NSDL"	National Securities Depository Limited.
"NSE"	National Stock Exchange of India Limited.
"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 had taken benefits under the general permission granted to OCBs under FEMA.
"p.a."	*Per annum*.
"PAN"	Permanent Account Number.
"PSC"	Production Sharing Contract.
"RBI"	Reserve Bank of India.

Term /Abbreviation	Description / Full Form
"Foreign Portfolio Investors" / "FPIs"	Foreign portfolio investors as defined under the SEBI FPI Regulations.
"Regulation S"	Regulation S under the US Securities Act.
"RTGS"	Real Time Gross Settlement.
"SCRA"	Securities Contracts (Regulation) Act, 1956.
"SCRR"	Securities Contracts (Regulation) Rules, 1957.
"SEBI"	Securities and Exchange Board of India.
"SEBI Act"	Securities and Exchange Board of India Act, 1992.
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
"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 ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
"SEBI Rights Issue Circulars"	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020.
"SEBI Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
"SEBI VCF Regulations"	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
"SMS"	Short Message Service
"State Government"	Government of a state of India.
"Supreme Court"	Supreme Court of India.
"U.S." / "USA" / "United States"	United States of America, including the territories or possessions thereof.
"US$" / "USD" / "$" / "U.S. dollars"	United States Dollar.
"US SEC"	U.S. Securities and Exchange Commission.
"US Securities Act"	U.S. Securities Act of 1933, as amended.
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

Industry Related Terms

Term	Description
ACF	Activated Carbon Filter
ATF	Aviation Turbine Fuel
CM	Compression Molding
DG	Set Diesel generator set
EBM	Extrusion Blow Molding
EPCG	Export Promotion Capital Goods
FMCG	Fast Moving Consumer Goods
HDPE	High Density Polyethylene
HSD	High Speed Diesel
IBM	Injection Blow Molding
IM	Injection Molding
IML	In – Mold Labelling
LDPE	Low Density Polyethylene
LLDPE	Linear Low Density Polyethylene
PP	Polypropylene

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Securities 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 Letter of Offer, the Abridged Letter of Offer, the Application Form or the 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 and will dispatch the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. Further, this Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges and on R-WAP.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and the Rights Securities may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Securities and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Application Form or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Securities or the Rights Entitlements referred to this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter.

Neither the Company nor the Lead Manager is making any representation to any person regarding the legality of an investment in the Rights Entitlements or the Rights Securities by such person under any investment or any other laws or regulations. No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Securities offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Securities in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Securities will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" on page 130.

Neither the delivery of this Letter of Offer nor any sale of Rights Securities 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 this Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Securities 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 the Rights Securities or Rights Entitlements. In addition, neither our Company nor the Lead Managers nor any of its affiliates is making any representation to any offeree or

purchaser of the Rights Securities regarding the legality of an investment in the Rights Securities by such offeree or purchaser under any applicable laws or regulations.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND RIGHT SECURITIES 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.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS SECURITIES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**"). THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS 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, THIS LETTER OF OFFER 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 of America when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Securities or the Rights Entitlements, it will not be, in the United States of America when the buy order is made and (ii) it is authorized to acquire the Rights Entitlement and the Rights Securities in compliance with all applicable law, rules and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "**Overseas Shareholders**" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Securities in respect of any such Application Form.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NOTICE TO NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS

Rule 7 of the FEMA Rules states that,

"*A person resident outside India and having investment in an Indian company may make investment in equity instruments (**other than share warrants**) **issued by such company as a rights issue or a bonus issue**, provided that,-*

(a) *the offer made by the Indian company is in compliance with the provisions of the Companies Act, 2013;*

(b) *such issue shall not result in a breach of the sectoral cap applicable to the company;*

(c) *the shareholding on the basis of which the rights issue or the bonus issue has been made must have been acquired and held as per the provisions of these rules;*

(d) *in case of a listed Indian company, the rights issue to persons resident outside India shall be at a price determined by the company;*

(e) *in case of an unlisted Indian company, the rights issue to persons resident outside India shall not be at a price less than the price offered to persons resident in India;*

(f) *such investment made through rights issue or bonus issue shall be subject to the conditions as are applicable at the time of such issue;*

(g) *the mode of payment and attendant conditions for such transactions shall be specified by the Reserve Bank.*

(h) *an individual who is a person resident outside India exercising a right which was issued when he or she was a person resident in India shall hold the equity instruments (other than share warrants) so acquired on exercising the option on a non-repatriation basis.*"

Under the SEBI ICDR Regulations, a rights issue of warrants can be undertaken by attaching such warrants to a specified security. Hence, the Warrants in the Issue are attached to the Rights Equity Shares until Allotment. Non-resident Eligible Equity Shareholders desirous of participating in the Issue can only subscribe to the Rights Securities collectively, i.e. the Rights Equity Shares and the Warrants.

Accordingly, any non-resident Eligible Equity Shareholders desirous of participating in the Issue must obtain prior approval from RBI in order to subscribe to Rights Securities. For further details, please see "*Risk Factors - A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to the Rights Securities in the Issue*" on page 27.

PROCEDURE FOR SUBMISSION OF RBI APPROVAL BY NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS

In addition to the Application through ASBA process, non-resident Eligible Equity Shareholders desirous of participating in the Issue must also follow the following procedure to submit the approvals received from RBI. For further details on the Application through ASBA process, please see "*Terms of the Issue - Procedure for Application through the ASBA process*" on page 147.

- Non-resident Eligible Equity Shareholders desirous of participating in the Issue are required to submit a legible scanned copy of the approval received from RBI to participate in the Issue along with a copy of the Application Form at a dedicated e-mail address of the Registrar moldtek.nrrights@linkintime.co.in on or before the Issue Closing Date. Submissions of the copy of Application Form along with the copy of the approval from RBI after the Issue Closing Date shall be liable for rejection.

- The scanned copies of the approval from RBI to participate in the Issue along with the Application Form shall be in pdf. format and the size of the attachments collectively should not exceed 2MB.

- The approval received from RBI to participate in the Issue shall be sent together with the copy of the Application Form, original of which shall be submitted to SCSBs for blocking of funds for the Issue. Any submission of the Application Form not accompanied by the RBI approval shall be liable for rejection.

- The email sent to moldtek.nrrights@linkintime.co.in shall include the following details of the Investor: (a) Client ID; (b) DP ID; and (c) PAN number. Incorrect or incomplete details shall result in rejection of the Application.

- The approval received from the RBI should provide the relevant non-resident Eligible Equity Shareholders so desirous of participating in the Issue, a valid, unqualified and unconditional right to participate in the Issue, clearly providing an exemption to the restriction placed on non-resident Eligible Equity Shareholders to subscribe to share warrants in a rights issue pursuant to Rule 7 of the FEMA Rules.

- The Company, together with the Lead Manager and the Registrar shall have full discretion to determine the adequacy of the approval from RBI given to non-resident Eligible Equity Shareholders, desirous of participating in the Issue for the purpose of Allotment. In the event the Company, together with the Lead Manager and the Registrar, in its discretion determines that any of relevant approvals from RBI submitted to moldtek.nrrights@linkintime.co.in are inadequate, it may result in rejection of such Application.

- The scanned copies of the approval from RBI to participate in the Issue along with the copy of the Application Form sent to any other email id other than moldtek.nrrights@linkintime.co.in or sent through any other mode, including speed post, courier, etc will not be considered as a valid submission and the said application will be liable to be rejected.

Please note that the Warrants being issued are attached to the Rights Equity Shares until Allotment and no person can subscribe to either of the Rights Equity Shares or Warrants separately. Each person shall only be able to subscribe to the Rights Securities. For further details, please see "*Risk Factors - A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to the Rights Securities in the Issue*" on page 27.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc*. in relation to the submission by non-resident Eligible Equity Shareholders of the approval received from the RBI to participate in the Issue that do not meet the criteria mentioned in this Letter of Offer.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company under the laws of India and the Directors and all executive officers are residents of India. It may not be possible or may be difficult for investors to effect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India.

India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- the judgment has not been pronounced by a court of competent jurisdiction;
- the judgment has not been given on the merits of the case;
- the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- the proceedings in which the judgment was obtained are opposed to natural justice;
- the judgment has been obtained by fraud; and/or
- the judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements. For details, see "*Financial Statements*" on page 62.

We have prepared our Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Letter of Offer should accordingly be limited.

Our Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

In this 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 Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market and industry data used in this 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, industry forecasts and market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company or the Lead Manager or its affiliates and neither our Company, the Lead Manager nor its affiliates make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, ratio of non-current borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortization ("**EBITDA**") have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Indian GAAP .

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India;
- 'US$', 'USD', '$' and 'U.S. Dollars' are to the legal currency of the United States of America; and
- 'AED' are to the legal currency of United Arab Emirates.

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. 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 dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Sr. No.	Name of the Currency		Exchange rates as on	
		June 30, 2020	March 31, 2020 (in ₹)	March 31, 2019 (in ₹)
1.	1 United States Dollar ("**USD**")	75.52	75.39	69.17

Source: www.fbil.org.in for June 30, 2020, March 31, 2020 and March 31, 2019.
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.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (**₹**) at any particular rate, the rates stated above or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this 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', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target' 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 Letter of Offer that are not historical facts.

These forward-looking statements contained in this 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:

- loss of significant customers;
- fluctuations in the price and supply of the key raw material for our business, polymer;
- expenditure on and our success in research and development initiatives in relation to new products;
- our ability to anticipate and develop new products and enhance existing products;
- our ability to maintain quality standards for our products;
- business conditions and growth in industries such as paints, oil and lubricant, food and FMCG and other markets in which we operate;
- effectiveness of innovations and growth strategies;
- our ability to meet our capital expenditure requirements, including in relation to setting up manufacturing units at convenient locations;
- threats to our intellectual property rights and brand value; and
- our ability to adapt to technological changes in the market.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section "*Risk Factors*" on page 18.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and neither our Company nor the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. 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 LETTER OF OFFER

Summary of Business

We are a packaging solution company primarily engaged in manufacturing rigid plastic packaging containers through injection molding technology for paints, lubes, oils, food, FMCG and other sectors. We develop, design and manufacture standard airtight, pilfer-proof pails, and customized containers as per our customers' requirements at our eight manufacturing units.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

Sr. No.	Particulars	Amount *(in ₹ lakhs)**
1.	Repayment/ prepayment of certain working capital borrowings of our Company, in full or in part	[●]
2.	General corporate purposes	[●]
Total		[●]

* *For details, see "Objects of the Issue" beginning on page* 43.

Intention and extent of participation by our Promoter and Promoter Group in the Issue

Our Promoters, Janumahanti Lakshmana Rao, Adivishnu Subramanyam and Pattabhi Venkateswara Rao together with other persons in the Promoter Group have confirmed *vide* letters dated [●], their intention to subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group in the Issue. Further, our Promoter and Promoter Group may subscribe to additional Rights Securities that may remain unsubscribed in the Issue. The acquisition of Rights Securities by our Promoter and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Issue by such investors, shall not result in a change of control of the management of our Company. 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.

Summary of outstanding Litigation and Defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set out below:

Type of Proceedings	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)*
Proceedings against our Company		
Tax notices	2	4.08
Other pending matters	1	422.98
Proceedings by our Company		
Tax	7	106.43
Other pending matters	3	1,183.00

**to the extent quantifiable*

Type of Proceedings	Number of cases	Amount, to the extent quantifiable (in AED)*
Proceeding by our Subsidiary		
Tax	1	502,832

**to the extent quantifiable*

For further details, see "*Outstanding Litigation and Defaults*" beginning on page 122.

Risk Factors

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

Contingent Liabilities

For details regarding our contingent liabilities, see "*Financial Statements*" beginning on page 62.

Related Party Transactions

For details regarding our related party transactions, see "*Financial Statements*" beginning on page 62.

Issuance of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company for consideration other than cash as on the date of filing of this Letter of Offer.

SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. This section describes the risks that we currently believe may materially affect our business, financial condition and results of operations. You should carefully consider each of the following risk factors and all other information contained in this Letter of Offer, including the risks and uncertainties described below, before making any investment decision relating to the Rights Securities. Prospective investors should read this section in conjunction with the "**Financial Statements**" section beginning on page 62, as well as other financial and statistical information contained in this Letter of Offer. The risks described below are not the only ones relevant to us or the Rights Securities. Additional risks may be unknown to us and some risks that we do not currently believe to be material could later turn out to be material. Although we will seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Rights Issue.*

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

Unless otherwise stated, references to "we", "us", "our" and similar terms are to Mold-Tek Packaging Limited on a consolidated basis and references to "the Company" are to Mold-Tek Packaging Limited on a standalone basis.

INTERNAL RISK FACTORS

1. ***Our Company's business is dependent on few customers. Any loss of such customers or a significant reduction in purchases by such customers could adversely affect our business, results of operations and financial conditions.***

   Our Company is dependent on few customers, including multi-national paint and lubricant companies. Our top 10 customers accounted for 73.2 % and 67.6 % of our gross sales for the Fiscal 2020 and the three-month period ended June 30, 2020, respectively. Though we do not have any long-term agreement with our significant customers, we have been their vendor for over five years. We have not observed any reduction in contribution by top ten customers in absolute terms in last three years, as our top ten customers operate in diversified industries which averages out the contributions made in the event of disruption in any particular industry or operations of any particular customer. The loss of any significant customer or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial conditions. Further, we normally provide credit period of less than sixty days, however due to the prevalence of COVID-19 disease and the nation-wide lockdown, our credit cycles were extended by a few days without significantly impacting our revenue cycle. We cannot assure you that any such delay in the future in payments by such customers over the usual payment cycles will not adversely affect the results of our operations and financial conditions. Further, there can be no assurance that our business relationships with our key customers would continue in similar manner.

2. ***Any inability to pass on increased price of key raw material, polymer, used for manufacturing our products may affect our profitability.***

   The key raw material used for manufacturing our products is polymers which are PPCP, PP, HDPE and LLDPE. Raw material consumed as a percentage of total revenue was 49.6 %, 46.5 % and 42.1 % for the Fiscal 2019, Fiscal 2020 and the three-month period ended June 30, 2020, respectively. The average prices for PPCP/PP decreased from ₹ 94.40 per kg to ₹ 86.57 per kg from Fiscal 2019 to Fiscal 2020, and is currently in the range of ₹ 81.24for the month September, 2020. Any fluctuation in the international price of crude oil affects the price of polymers. In Fiscal 2019, we spent ₹ 20,131.64 lakhs for 21,326 tonnes of polymer in comparison to Fiscal 2020, where we spent ₹ 20,390.73 lakhs for 23,553 tonnes of polymer. Further, any fluctuations in the demand and/or supply of polymers may impact its purchase price. We do not have any long-term supply agreement with any of our raw material suppliers. Although we enter into short term contracts with some of our suppliers for rates, we may be unable to enter into such contracts at all times in future.

   In terms of our understanding with most of our customers, we have flexibility to pass on raw-material cost fluctuations to them through periodical pricing arrangements. However, any inability to pass on the increased costs of polymers to our customers in future, may affect our profitability.

3. ***Our key raw material, polymer is manufactured by few players domestically, hence we are dependent on a few suppliers.***

Key raw materials required by us include PPCP/PP, HDPE and LDPE/LLDPE which are manufactured in India by oil PSUs and other manufacturers. In Fiscal 2020, we spent ₹ 20,390.73 lakhs for 23,553 tonnes of polymer in comparison to Fiscal 2019, where we spent ₹ 20,131.64 lakhs for 21,326 tonnes of polymer. For Fiscal 2020 our consumption of PPCP/PP, HDPE and LDPE/LLDPE was 20,512 tonnes, 909 tonnes, and 2,133 tonnes respectively. We procure 85.0% of polymers required by us through delcredere agents of a single manufacturer in the Fiscal 2020. Hence, we are significantly dependent on them for supply of polymer which is a key raw material in manufacturing our products. We enter into annual MoUs with them for purchase of polymer quantity as it is not economic to enter into long term agreements with our key suppliers due to price fluctuations. Due to our long standing relationship with such suppliers, we believe we procure polymer at competitive rates. If the supplier is unable to supply polymer to us on commercially reasonable terms or quantity we require, it may adversely affect our production schedule and we may have to purchase polymer at a higher rate from the market, which may affect our profitability.

4. ***We incur investments from time to time on our R & D and we may not be able to derive adequate benefits from such investments.***

We operate in the industry which requires continuous technology upgrade for manufacturing products and research activities to stay ahead of the market. We currently have centralised integrated tool room where we develop, repair molds. While we believe our centralised tool room provides us with advantage like early development of products at cheaper cost, but cannot assure you that we will be able to develop products acceptable to our customers. We will continue to make investments on R & D including and not limited to developing our Robots, new molds and processes as we depend significantly on such processes for upgrading our technologies and processes from time to time. We capitalise part of salary of our Deputy Managing Director, Adivishnu Subramanyam, who devotes considerable time to develop new design and technologies at our tool room. These R & D activities are critical since it may improve demand for our product and our profitability, if such activities prove to be successful. Our Company is engaged in the on-going process of studying, designing and developing new moulds in accordance with customer requirements. We have spent ₹439.56 lakhs in Fiscal 2020 on R&D activities (including salaries of employees in R&D division and other overhead costs). We cannot guarantee that we may be able to derive adequate benefits from these R & D activities and will be able to reap profits from our investments in the same. In addition, shifts in customer demand may render existing technologies and machinery obsolete, requiring additional capital expenditures and/or write-downs of assets.

5. ***Our growth prospect may suffer if we fail to anticipate and develop new products and enhance existing products in order to keep pace with rapid changes in customer preferences and the industry on which we focus.***

We believe we were among first few companies to introduce the pail packaging containers for the paint industry which has over the years replaced the tin packaging containers. Further, we have successfully adopted 'In-mold labelling' technology which enable us to produce a picture quality decoration on the molds produced by us. Our business is characterized by constant product innovation due to rapid technological change, evolving industry standards and customer preferences. To compete successfully in the packaging industry, we must be able to identify and respond to changing demands and preferences in packaging industry. We believe that our in-house tool room and centralised R&D gives us competitive advantage and helped us in reaching current level. However, we cannot assure that our new products may always gain buyer acceptance and we will always be able to achieve competitive products to meet customer expectations. Failure to identify and respond to changes in consumer preferences could, among other things, limit our ability to differentiate our products, adversely affect consumer acceptance of our products and could have impact on our growth prospect.

6. ***Any inability on our part to successfully maintain quality standards could adversely impact our business.***

Quality of our product is very important for our customers and their brands equity. Our product goes through various quality checks at various stages including random sampling check, drop test and/or any tenth order lot check. We supply our packaging products to paints, oil and lubricant, food and FMCG industries and other industries each of which have different product specifications. Some of our manufacturing plants are ISO: 9001:2008 and FSSC 22000: 2011 certified. We maintain utmost hygiene standards in our manufacturing facilities serving food and FMCG sectors. We ensure that our products are tested for various application tests such as load, impact, strength, durability, wear and fatigue etc., in line with certain international standards. Failure of our products to meet prescribed quality standards may results in rejection and reworking of product hence any failure on our part to successfully maintain quality standards for our products may affect our customer demands or preference which may negatively affect our business.

7. ***Our Company's growth depends up on growth in paints, lubricant and food & FMCG industries.***

Our Company has derived 52.4%, 24.5% and 23.1% of gross sales for Fiscal 2020 from paints, lubricant and food & FMCG, respectively. Our revenue from paint segment has grown from ₹ 18,462 lakhs in the Fiscal 2019 to ₹ 22,873 lakhs in the Fiscal 2020 showing a growth of 23.9%. Our revenue from lubricant segment has decreased from ₹ 12,727 lakhs in the Fiscal 2019 to ₹ 10,710 lakhs in the Fiscal 2020 resulting into a reduction of 15.9% which is set-off by the food and FMCG segment which has grown from ₹ 9,233 lakhs in the Fiscal 2019 to ₹ 10,110 lakhs in the Fiscal 2020 at a rate of 9.5%. Thus, we are dependent on the paints, lubricant and food & FMCG industries for majority of our revenue. Any slowdown in growth of these industries or demand of our products by paint, lubricant and food and FMCG industry may affect our growth.

8. ***We may be unable to effectively implement our growth strategies or manage our growth.***

Our total income has grown from ₹ 40,684.67 lakhs in the Fiscal 2019 to ₹ 43,936.15 lakhs in the Fiscal 2020. Our growth has been a result of our growth strategies over the year and success of our design capabilities and innovations. Our growth strategy involves risks and difficulties, many of which are beyond our control and, accordingly, there may be no assurance that we will be able to complete our plans on schedule or at all, or without incurring additional unforeseen material capital expenditure. Any inability on our part to manage our growth effectively or to ensure the continued adequacy of our current systems to support our growth strategy could have an adverse effect on our growth plans. Furthermore, if market conditions change or if our operations do not generate sufficient funds or for any other reasons, we may decide to delay, modify or forgo some aspects of our growth strategy which could have a material and adverse effect on our business prospects.

9. ***Our customers' requirements to locate our manufacturing units in close proximity to their facilities may require capital expenditure and we may not be able to manage our manufacturing units at various locations effectively.***

Currently we are operating from eight different manufacturing units which include four manufacturing units located at Telangana and one each at Maharashtra, Daman, Karnataka and Andhra Pradesh. To serve our customers, we have established integrated pail manufacturing unit at Satara, Maharashtra which is at close proximity to our customers units. We incur capital expenditure to set up new facilities in proximity to our customers. In the event that any of our customers' facilities are moved from their current locations, we may not be able to utilize our manufacturing unit efficiently.

Our Company is and will continue to evaluate various location options for its expansion plans preferably closer to the customers. Our ability to set up and manage effectively our new manufacturing facilities in the future, will depend on a variety of factors including availability of sufficient capital, procurement of land, receipt of relevant approvals, availability of sufficient skilled employee and labour base. Costs associated with such expansion plan may effect our business, financial condition and results of operations. Further, we cannot assure that we will be able to manage all our manufacturing units at various locations effectively.

10. ***We face the risk of our designs getting copied and product being sold at lower prices in the market resulting in us losing out on premium pricing.***

We have an internal design team that designs and develops plastic molded packaging containers, pails, closures, pharmaceutical and food packaging containers. Our design team studies the market before preparing designs, molds or colour of these packaging products. As at September 30, 2020, we are the registered proprietor of 17 designs of our products registered with the Controller General of Patents, Designs and Trade Marks under the provisions of the Design Act, 2000 and the Design Rules, 2001. Additionally, we have two registered patents and one pending patent application in India. We also own trademark that contribute to the identity and the recognition of our corporate brand, product and service brands globally. Our intellectual property rights may not be adequately protected against third party infringement. Our Company has filed two cases for infringement. Our Company had filed a case in the Bombay High Court against Yash Plastomet for infringement of lid and container designs praying for, *inter alia*, an injunction restraining Yash Plastomet from using any variation of our Company's registered design. The Bombay High Court has not passed an order providing such injunction restraining Yash Plastomet. Our Company also filed a case against S.D. Containers LLP for infringement of our Company's product designs for the lid and container and further supply of such products to manufacturers, including customers of our Company. S.D. Containers LLP has filed a counter claim against our Company. The District Court, Indore passed an order denying the relief of an interim injunction to our Company. In this regard, our Company has filed an appeal before the High Court of Judicature of Madhya Pradesh. For more information, please refer to the "***Outstanding Litigation and Defaults***" section on page 122.

Due to the popularity of designs and colour of our containers, we face the risk of our design getting copied by our competitors. If our designs are imitated with poor quality and sold at cheaper rates in the market, we may lose some

of our customers to such competitors, which will in turn adversely affect our business and results of operations. Further, any copy of our designs with our logo, will erode our brand value.

11. ***If we are unable to adapt to technological changes coupled with changes in industry trends and preferences our business and results of operations may be adversely affected.***

We seek to enhance our production and technological capabilities to distinguish ourselves from our competitors and enable us to introduce new products as well as different variants of our existing products, based on consumer preferences and demand. 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. In the past, we have worked closely with our customers and developed upgraded versions of the packs introducing various features like leak proof, no-gasket design, tamper evident, tamper proof, light weight packs. We have introduced packs with tamper evidence for food delivery, for sweets and confectionery etc. With our in-house product design & tool room, we have enabled product design and innovation capabilities. 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. Our future success will depend 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. There can be no assurance that we will continuously implement/adopt new technologies effectively or will be able to respond in timely manner.

12. ***Failure to meet our production timelines may impact our reputation and could also lead to cancellation of our orders.***

We manufacture diverse products for our customers including lubricant containers, paint containers, food container and bulk containers in different size, shape and modules manufacture through various technologies including IML as per the requirements of our customers. Most of our customers give us production schedule for thirty days but few give production schedule for less than two weeks. We are expected to supply varying quantities at different points in time, as per the given schedule. Our operations are streamlined to take into account delivery schedule. While a certain amount of time is always calculated as buffer and we keep raw material for about a month's requirement, any serious disruption in our manufacturing units will impact our ability to meet our production timelines and may impact our reputation and could also lead to cancellation of our orders.

13. ***Any shortage or non-availability of electricity may adversely affect our profitability.***

Our quality of product and efficiency of production of our manufacturing units are dependent on uninterrupted supply of quality power. We depend on power supplied by the State electricity board for our manufacturing facility requirements. Some of our manufacturing units are equipped with diesel generator set for alternative source of power. We have faced power supply deficiency including scheduled power disruptions in some of our manufacturing units in the past due to which led to alternate source of power. For Fiscal 2019, Fiscal 2020 and the three months period ended June 30, 2020, we have consumed 18,455,605 units, 21,395,760 units and 3,403,684 units of electricity, respectively of which we have generated 336,315 units, 394,073 units and 67,691 units of electricity from own generation through diesel generator set. The average cost of generation of electricity from diesel generator set is ₹ 23.37 per unit, ₹ 22.31 per unit and ₹ 21.87 per unit for Fiscal 2019, Fiscal 2020 and the three months period ended June 30, 2020 respectively, whereas the average cost of electricity purchase from electricity board is ₹ 6.67 per unit, ₹ 7.05 per unit and ₹ 7.29 per unit for Fiscal 2019, 2020 and the three months period ended June 30, 2020 respectively. Further, our Company has also been taking steps towards installation of solar power systems in all of our manufacturing units to cost of own generated power and our dependency on electricity board. If we do not get uninterrupted quality power for our manufacturing units from electricity board, it may increase the manufacturing cost of our products and affect our profitability.

14. ***We are dependent on our Chairman and Managing Director, Deputy Managing Directors and senior management to manage our current operations and meet future business challenges.***

While we have been developing next layers of management as a direct support system to senior management who can take over the management responsibilities in the future, our future success is still dependent on our Chairman and Managing Director, Janumahanti Lakshmana Rao, Deputy Managing Directors, Adivishnu Subramanyam and Pattabhi Venkateswara Rao and other senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges, including the planned expansion and the addition of new businesses. Our Chairman and Managing Director has more than three decades of experience in business and its management and is the visionary of our Company and involved in formulation of corporate strategy and planning, overall execution and management, and concentrates on the growth of our Company.

Our Deputy Managing Director Adivishnu Subramanyam has more than three decades of experience in designing and manufacturing of molds and is the overall in charge of in – house tool room which plays very vital role in developing products for our rigid packaging business.

Our Deputy Managing Director, Pattabhi Venkateswara Rao has over 27 years of experience and involved in planning and leadership for purchase and marketing department in order to meet the goals of the marketing plan of our Company. The expertise, experience and services of our Company's current Chairman and Managing Director and Deputy Managing Directors and senior management are integral to our business. Our Company does not maintain key man insurance and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations.

Although, most of the other senior management of our Company have been employed with us for over a decade, our Company does not enter into employment agreements with the senior management personnel who are therefore not obligated to work for our Company for any specified period. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a material adverse effect on our business, results of operations and financial condition.

15. ***Our supplies to food and FMCG segments requires us to meet additional hygiene and food safety norms.***

For Fiscal 2019, Fiscal 2020 and the three months period ended June 30, 2020, our Company derived 22.8%, 23.1% and 35.6% of gross sales from food and FMCG and other segments. Food and FMCG segment require stringent norms to be followed for maintaining the quality and hygiene. Our units are approved with FSSC 22000: 2011, the food safety management system applicable to manufacture of in-mold labelled plastic containers and lids for packaging product for food and FMCG products. Any failure to meet additional hygiene and food safety norms, may hamper our ability to get repeat order and or add new customers in the food and FMCG segments which may affect our growth and profitability.

16. ***We are subject to risks associated with rejection of supplied products and consequential claims including product liability costs.***

Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims and could require us to undertake service actions. As per the terms of our agreements with certain clients, these actions could require us to expend considerable resources in rectifying and/or addressing these problems, to absorb costs incurred by our customers in addressing such problems. We are currently not covered by insurance for any product liability claims and hence any such liability could have an adverse impact on our results of operations. Though there have not been any significant rejection and claims experienced by our Company in past, we cannot assure you that no such claims will be made against us in the future or that such claims will be settled in our favour.

Any such successful claims could adversely affect our results of operations and cash flow.

17. ***Any discontinuance or non-availability of tax benefits being enjoyed by us or our inability to comply with related requirements may have an adverse effect on our profitability and cash flow.***

We are currently entitled to certain tax benefits and incentives. Sales tax incentives are granted to our Company under the Package Scheme of Incentives, 2007 ("**PSI 2007**") from Government of Maharashtra, Directorate of Industries. Pursuant to the PSI 2007 and subject to certain approvals, we are entitled to refunds on the sales tax paid by us, based on capital investment made by us in the Satara area. Our manufacturing unit at Satara, Maharashtra enjoys sales tax refund facilities at the rate of 25.0% on sales tax paid by our Company. Further, certain tax benefits were also extended to our expansion unit at Satara, pursuant to Package Scheme of Incentives, 2013 ("**PSI 2013**") which superseded PSI 2007. In the past we enjoyed certain tax incentives in connection with our manufacturing facilities at Telangana for deferred tax benefit which is being currently repaid.

In the event of any discontinuance or non-availability of tax benefits, the effective tax rates payable by our Company may increase and consequently our profitability and cash flow may be adversely affected. For further details of the tax benefits available to our Company, please refer to section titled "***Statement of Tax Benefits***" beginning on page 48.

18. ***Our Company did not have whole time company secretary in the past. Such non-compliances may result into penalties or other action on our Company by the statutory authorities.***

The paid-up capital of our Company was increased to ₹ 794.58 lakhs on September 29, 2008 pursuant to which our Company was required to comply with the erstwhile Section 383(A) of the Companies Act, 1956 (Section 203 of the Companies Act, 2013), in as much as appointing a whole-time secretary. Our Company was not in compliance with

the requirements of the Section 203 of Companies Act, 2013 and the erstwhile Section 383(A) of the Companies Act, 1956 for the period from September 30, 2008 to December 18, 2011 and from July 2012 to December 2014. However, our Company has submitted letter dated August 10, 2012 to Institute of Company Secretaries of India. Hyderabad requesting for a whole time secretary with exposure in secretarial and legal matters and knowledge of labour laws. Our Company has appointed a Company Secretary on January 3, 2015. Further, our Company has delayed in complying with reporting requirements such as registration of special resolutions, returns of allotment of shares, filing of annual returns etc., as required under the Companies Act, 2013 to the RoC. Such delay/non-compliance in the future may render us liable statutory penalties.

19. ***As the securities of our Company are listed on a stock exchange in India, our Company and our Promoters are subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and SEBI Listing Regulations. Our Company has been fined by the stock exchanges on account of non-compliance with corporate governance norms. Any non-compliances/delay in complying with such obligations and reporting requirements in the future may render us/our Promoters liable to prosecution and/or penalties.***

Our Company and our Promoters are subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and listing agreement such as submission of interest or holding by the directors and officers of our Company etc. Though our Company and our Promoters endeavour to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company/our Promoters to prosecution and/or penalties. For the quarter ended December 31, 2019 and March 31, 2020, our Company was found to be in non-compliance with certain corporate governance norms provided under Regulation 17(1) of the SEBI Listing Regulations. SEBI *vide* circular dated May 3, 2018 has prescribed certain penal actions that can be taken by Stock Exchanges in the event of non-compliance with SEBI Listing Regulations. Accordingly, BSE and NSE *vide* letters dated February 3, 2020 imposed a fine of ₹ 224,200/- each for the non-compliances under the quarter ended December 31, 2019. Further, for the quarter ended March 2020, BSE and NSE pursuant to their letters dated July 2, 2020 and July 8, 2020 had imposed a fine of ₹ 153,400/- each for the non-compliances under the quarter ended March 31, 2020. We have accordingly paid the penalty amount to BSE and NSE on February 18, 2020 and August 24, 2020 for the non-compliances under the quarter December 31, 2020 and March 31, 2020, respectively and are currently in compliance with SEBI Listing Regulations. A certificate to this effect certifying our compliance with SEBI Listing Regulations have been provided by our statutory auditor.

Further, in some instances our Company/our Promoter do not have acknowledgement of receipt of Stock Exchange in respect of certain filings or reporting made by them under the SEBI Takeover Regulations and SEBI Insider Trading Regulations due to which they may not be in a position to ascertain or evidence compliances with such reporting requirements. Any non-compliance with the applicable laws, rules and regulations in the future may subject us to regulatory action, including penalties, suspension of trading of Equity Shares or even compulsory delisting of our Equity Shares, which may not only materially and adversely affect our business, prospects and reputation but also the shareholders.

20. ***Our Company is involved in certain legal and other proceedings. An adverse outcome in such proceedings may have an adverse effect on our financials.***

Our Company is currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In the event of an adverse outcome of such legal proceedings, we may have to incur expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities which will adversely affect our financials. Details of the total number of proceedings pending against our Company are mentioned below:

Litigation filed against us:

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ *in Lakhs)**
Tax Notice	2	4.08
Other pending matters	1	422.98

* *To the extent quantifiable.*

Litigation filed by our Company:

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ *in Lakhs)**
Tax	7	106.43

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ *in Lakhs)**
Other pending matters	3	1,183.00

* *To the extent quantifiable.*

For further details of these legal proceedings, please refer to chapter titled "***Outstanding Litigations and Defaults***" beginning on page 122.

21. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of March 31, 2020, contingent liabilities disclosed in the notes to our audited financial statements aggregated ₹ 114.92 lakhs. Set forth below are our contingent liabilities that had not been provided for as of March 31, 2020:

Nature of contingent liability	Amount (₹ in Lacs)
Income Tax	105.83
VAT/CST	9.09
Total	**114.92**

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

22. ***We may face a risk on account of not meeting our export obligations. Our failure to fulfil these export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with the interest.***

We have obtained licenses under Export Promotion Capital Goods Scheme ("EPCG"). As per the licensing requirement under the said scheme, we are required to export goods of a definite amount, failing which we will have to make payment to the Government of India equivalent to the duty saved by us along with the interest. Though in the past we have not been penalised for non-fulfilment of the export obligations under the EPCG Scheme; there can be no assurance that we would be able to meet the export obligations in the future. In case we fail to fulfil these export obligations in full; we will have to pay duty proportionate to unfulfilled obligation along with the interest.

23. ***Restrictive financial and other covenants may limit our operations and financial flexibility.***

As at June 30, 2020, our Company had total borrowings of ₹ 11,643.60 lakhs which includes short term borrowings of ₹ 8,374 lakhs and long term borrowings of ₹ 3,269 lakhs. Some of our Company's financing agreements and debt arrangements set limits on and/or require prior approval of lenders before, among other things, pledging assets as security, making investments and other restricted payments, selling assets, effecting any consolidations or mergers, making acquisitions, hedging, undergoing a change of control, declaring dividends, dilution of shareholding of Promoters including no reduction in number of shares held by the Promoter and making substantial changes to the nature of the business. In addition, certain covenants may limit our Company's ability to borrow additional funds or to incur additional liens. Such restrictions or limitations may adversely limit our Company's operations and financial flexibility, and adversely affect its business growth. For further details of our borrowings please refer to chapter titled '***Financial Statements'*** beginning on page 62.

24. ***Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain borrowings availed by our Company, 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 certain portion of the Net Proceeds for the purposes of repayment or prepayment, in full or part, of certain borrowings availed by our Company. The details of the borrowings identified to be repaid or prepaid using the Net Proceeds have been disclosed in "***Objects of the Issue***" on page 45. However, the repayment or prepayment of the identified borrowings are subject to various factors including, (i) any conditions attached to the loans restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders, and (iii) terms and conditions of such consents and waivers. Our Company has applied for and received consents from all relevant lenders for undertaking the Issue.

25. ***Certain government/statutory approvals/certifications/licenses may have expired or renewal/fresh applications for the same are pending before the concerned authorities. Any failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business and require renewing some of them on periodic basis and need to apply for some of them, for expansion. We have made renewal or new applications for certain approvals or licenses that have expired or that are required for our business but have not yet been received. In the future as well, our Company will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals in order to carry on current business operations and for any proposed new operations or expansions. While we believe that we will be able to renew or obtain such permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue or renew any of such permits, licenses or approvals in the timeframe anticipated by it or at all. Such non-issuance or non-renewal or non – availability may result in the interruption of our business operations and may have a material adverse effect on our results of operations and any present or future expansions. Further, in the event any of such approvals or licenses or any renewals thereof are refused to be granted to us, we may be required to temporarily discontinue our relevant operations for want of such approvals or licenses.

26. ***Extensive environmental, health and safety laws and regulations may result in increased liabilities and capital expenditure.***

Our operations are subject to various environmental and safety laws including industry specific regulations, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India.

We would also incur costs and liabilities related to compliance with these laws and regulations. We are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non- compliance, with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities.

27. ***The shutdown of operations at our manufacturing units could have a material adverse effect on our results of operations and financial condition.***

Our manufacturing units are subject to operating risks, such as labour disputes, natural disasters and accidents, etc. The occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down. In addition, we may be forced to shut down any manufacturing unit due to unprofitable margins, irregular competition, unforeseen revival of healthy competition and other adverse economic conditions. Our Company has attempted to enter into the Middle-Eastern packaging market through our wholly-owned Subsidiary and had opened a manufacturing unit at Dubai, which was shut down and its useful assets were transferred to India to further strengthen and enhance the capacity of our manufacturing units set-up in India. No assurance can be given that one or more of the factors mentioned above will not occur, and this could have a material adverse effect on our results of operations and financial condition.

28. ***We engage contract labour for carrying out certain of our operations and we may be held liable for paying the wages of such workers in the event of default by the independent contractor.***

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in our manufacturing units. As of September 30, 2020, we had engaged 1,220 contract labourers through our contractors based on the requirements of our manufacturing units. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any difficulties in managing contract labour may have an adverse impact on our results of operations.

29. ***Our Promoters or members of our Promoter Group may pledge or dispose of the Equity Shares held by them which may adversely impact the trading price of our Equity Shares.***

There is no restriction on our Promoters and members of the Promoter Group to dispose, transfer or pledge their Equity Shares, and our Promoters and / or members forming part of the Promoter Group may at any time pledge or dispose of the Equity Shares held by them including immediately after listing of Rights Equity Shares pursuant to this Rights Issue. In the event of creation of such a pledge, the pledgee may exercise the right of acquiring, selling or otherwise disposing of such Equity Shares if the pledgor fails to abide by the terms and conditions of the pledge so created. Any

transfer / sale of Equity Shares by our Promoter and / or members forming part of the Promoter Group will lead to a dilution of the Promoter holding in our Company which may adversely impact the trading price of our Equity Shares.

30. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our Company has paid ₹ 1671.26 lakhs as dividend to our shareholders for the Fiscal 2020. Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements and capital expenditure. We are required to obtain consents from our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. In the past, we have written to our lenders requesting for their consent to declare dividend but have not received any response thereof. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Further we cannot assure you that our dividend yields maintain our past practice.

31. ***We have entered into related party transactions in the past and may continue to do so in future.***

For the Fiscal 2020, our Company has entered into certain related party transactions with the Promoters, Directors and Promoter Group. The total amount of related party transactions as on March 31, 2020 aggregate outstanding to ₹ 95.04 lakhs. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. For further details please refer to the section titled '***Financial Statements'*** beginning on page 62.

32. ***We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.***

Our Company's activities are labour intensive. As on September 30, 2020, our Company has 1,220 labourers hired through contractors. Strikes and other labour action may have an adverse impact on our operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations impacting profitability.

33. ***Some of the premises from which we operate or are used by our Company for the purposes of our operations are situated at lease hold premises. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.***

Premises used by our Company at Unit VIII are taken on a long – term leasehold basis from third party. The premises used for our Depot – I, Depot – II and Depot – III and the warehouse in Tamil Nadu are taken on the basis of short term lease agreements. Further, our sales office at Mumbai branch office is taken on the basis of short-term leave and license basis from third party and we operate our sales office at Noida at a co-working office space. Most of the short-term lease deeds and our sale deed for Unit IX are not yet registered. There can be no assurance that these agreements will be renewed upon expiry or on terms and conditions acceptable to us. Any failure to renew these agreements or procure new premises will increase our costs or may force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our operation and profitability.

34. ***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 for a variety of risks, including risks relating to fire, special perils, burglary, etc., and other similar risks. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits. Further, we may be subject to claims arising from alleged, suspected or actual defects in the products that we manufacture, which may require us to conduct product recalls, due to alleged , suspected or actual defects in end product manufactured by them for their own customers. In the event that any significant product liability, performance improvement or replacement claims are brought against us, which are not covered by insurance or result in recoveries in excess of our insurance coverage, it may adversely affect our business, financial condition, results of operations and prospects.

35. ***We are dependent on third party transportation providers for the supply of raw materials and delivery of our products and any failure on part of such providers to meet their obligations could have an adverse effect on our profitability and results of operation.***

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our manufacturing units and of our products from our manufacturing units to our customers, both of which are subject to various uncertainties and risks. We are dependent on third party transport providers for transportation of raw material from our suppliers to our manufacturing units and for delivery of our finished products to our customers. Transportation cost constituted 4.1% and 4.0% of our net sales for Fiscal 2019 and Fiscal 2020, respectively. Many of our customers work on just in time principle and maintain very low level of inventory of pails. 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.

RISKS RELATING TO RIGHTS ISSUE

36. ***A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to the Rights Securities in the Issue***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Pursuant to Rule 7 of the FEMA Rules, persons resident outside India are not eligible to subscribe to Warrants, and consequently, a non-resident Investor will not be eligible to subscribe to the Rights Equity Shares in the Issue as the Warrants to be issued in the Rights Issue are attached to the Rights Equity Shares until Allotment. However, under the FEMA Rules, the Reserve Bank of India may, on an application made to it and for sufficient reasons and in consultation with the Central Government, permit a person resident outside India to make any investment in India subject to such conditions as may be considered necessary. Accordingly, a non-resident investor will need to obtain prior approval from the Reserve Bank of India to be able to subscribe to the Warrants in the Rights Issue. We cannot assure you if such approval will be granted by the Reserve Bank of India in a timely manner or at all. For details, see the section "***Notice to Investors***" and "***Issue Information***" on pages 8 and 132, respectively.

37. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding.***

The Rights Entitlements that are not exercised prior to the end of the 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 Rights Issue. Renouncees 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 Renouncees 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 Rights Issue with respect to such Rights Entitlements.

38. ***Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.***

In accordance with the SEBI ICDR Regulations, the Company shall ensure that the outstanding subscription money for Rights Equity Shares is called within twelve months from the date of allotment of Rights Equity Shares in the Issue, while the Warrants have to be exercised within a maximum period of eighteen months. The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board. The Calls may be revoked or postponed at the discretion of our Board, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days' notice for the payment of the Calls. Our Board may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have impact on borrowings, debt service costs and profitability of the Company. For details, see "***Objects of the Issue***" on page 43.

39. ***Non- exercise of the option to subscribe to Equity Shares against Warrants within the prescribed tenure shall result in forfeiture of Warrants.***

Under the SEBI ICDR Regulations, the tenure of the Warrants cannot exceed eighteen months. Further, the option to subscribe to Equity Shares against the Warrants issued can be exercised within three months from the date of payment

of consideration. Such Warrants which are not exercised within three months from the payment of consideration will have to be forfeited in accordance with Regulation 67(d) of the SEBI ICDR Regulations. The market price of our Equity Shares may fluctuate widely depending upon many factors beyond Company's control. For more information on the factors affecting volatility of the Equity Shares, please refer to the risk factor "*The trading price of the Equity Shares may be subject to volatility and Investors may not be able to sell the Rights Equity Shares at or above the Issue Price*." on page 31. Accordingly, there can be no assurance that the market price of the Equity Shares traded on the Stock Exchanges will be not lower than the price at which the Warrant is exercised. Further, non- exercise of the option to take Equity Shares against Warrants held within three months from the date of payment shall result in forfeiture of Warrants, which may result in investors losing the consideration paid for Warrants. Additionally, non-exercise of such Warrants may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and profitability.

40. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "***Issue Information***" on page 132. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

41. ***There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.***

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "***Issue Information***" beginning on page 132.

EXTERNAL RISK FACTORS

42. ***The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

In late 2019, the COVID-19 disease, commonly known as "novel coronavirus", was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 it was declared a pandemic. In India, the Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended, with

certain modifications, till May 17, 2020 and then again to May 31, 2020. With effect from June 1, 2020, the first phase of 'unlock' was initiated in India, with the lockdown being partially lifted, with many restrictions still in place. The second phase of unlock was implemented with effect from July 1, 2020, with fresh guidelines certain additional relaxations. India entered the third and fourth phases of unlock on August 1, 2020 and September 01, 2020 respectively, which provided further relaxations. With effect from October 01, 2020, we have now entered the fifth phase of the unlock process, wherein many restrictions have been further lifted. However, relaxations provided under the various unlock phases have not been fully implemented throughout India, and the States that have been severely affected by the pandemic still continue to impose various lockdown restrictions.

While our Company had to temporarily close our manufacturing operations from March 25, 2020 in accordance with the directives issued by Government of India, we resumed partial manufacturing operations in subsequent months. Our utilized capacity across our manufacturing units decreased from 6,707 metric tonnes for the three months period ended June 30, 2019 to 3,861 metric tonnes for the three months period ended June 30, 2020.

Risks arising on account of COVID-19 can also threaten the safe operation of our facilities and transport of our products, cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. As of the date of this Letter of Offer, there is significant uncertainty relating to the severity of the near and long term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

43. ***We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.***

Any future equity issuances by us, may lead to the dilution of Investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

44. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. While some changes such as streamlining of regulatory mechanism and reduction in the rates of direct taxes has benefitted the Company, certain other changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example: the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure pursuant to the Constitution (One Hundred and First Amendment) Act, 2016. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

45. ***Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and elsewhere in Asia may have a material adverse effect on our Company's business and on the market for securities in India.***

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business.

India has experienced civil and social unrest, terrorist attacks such as the attacks in November 2008 and July 2011 in the city of Mumbai, and other acts of violence. 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, future financial performance, cash flows and the market price of our Rights Securities. Southern Asia has also, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries. Additionally, any of these events could lower confidence in India's economy and create a perception that investments in companies with Indian operations involve a high degree of risk, which could have a material adverse effect on the price of the Rights Securities. Any discontinuation of business or loss of profits due to such extraneous factors may affect our operations. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years.

46. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, as amended (the "Competition Act") seeks to prevent practices that could have an appreciable adverse effect on competition. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may attract substantial penalties. Any agreement among competitors, or practice or decision in relation to, enterprises or persons engaged in identical or similar trade of goods or provision of services which directly or indirectly determines purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares markets or source of production or provision of services by way of allocation of geographical area, types of goods or services or number of customers in the relevant market or directly or indirectly results in bid rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits the abuse of a dominant position by any enterprise. Provisions of the Competition Act relating to acquisitions, mergers or amalgamations of enterprises that meet certain asset or turnover thresholds and regulations issued by the Competition Commission of India ("**CCI**") with respect to notification requirements for such combinations became effective in June 2011. Further our acquisitions, mergers or amalgamations may require the prior approval of the CCI, which may not be obtained in a timely manner or at all.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any other relevant authority under the Competition Act, any claim by any party under the Competition Act or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, our business and financial performance may be materially and adversely affected. Further the CCI has extra - territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage.

47. ***It may not be possible for Investors to enforce any judgement obtained outside India against our Company, its directors or executive officers.***

The enforcement of civil liabilities by overseas Investors in the Rights Securities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section

44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

48. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as our shareholders than as shareholders of a corporation in another jurisdiction. In accordance with the provisions of the Companies Act, 2013, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act, 2013, read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. Therefore, the rights of holders of the Rights Equity Shares will not be pari passu with the rights of the other shareholders of our Company in case of non-payment of Call Money(ies).

49. ***There may be less company information available in Indian securities markets than in securities markets in certain other countries.***

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of Investors, brokers and other participants in markets in the United Kingdom, the United States and certain other economies. The SEBI is responsible for monitoring, ensuring and improving disclosure and other regulatory standards for the Indian securities markets and has issued regulations and guidelines on disclosure requirements, insider trading and other matters. Investors may, however, have access to less information about our business, results of operations and financial conditions, on an on-going basis, than Investors would have in the case of companies subject to reporting requirements of certain other countries.

50. ***The trading price of the Equity Shares may be subject to volatility and Investors may not be able to sell the Rights Equity Shares at or above the Issue Price.***

The trading prices of publicly traded securities may be highly volatile. Factors affecting the trading price of the Equity Shares include:

- variations in our operating results;
- announcements of new products, joint ventures, strategic alliances or agreements by us or by our competitors;
- increases and decreases in our customer base;

- recruitment or departure of key personnel;
- favourable or unfavourable reports concerning the rigid packaging industry in general, or in relation to our business and operations;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to research and report on the Equity Shares;
- the adoption or modification of regulations, policies, procedures or programs applicable to the business; and
- market conditions affecting the rigid packaging industry generally and the economy as a whole.

In addition, if the stock markets experience a loss of Investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry, even if these events do not directly affect us. Any of these factors, among others, could materially and adversely affect the price of the Equity Shares.

51. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Letter of Offer.***

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information and is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

52. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlements.***

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("STT") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 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 Rights Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Rights Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized 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 our Rights Equity Shares will be exempt from taxation in India in cases where the exemption 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 our Rights Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, however these amendments will come into effect from July 1, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in

respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

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

There are provisions in Indian law that may discourage a third party from attempting to take control of us, even if a change in control would result in the purchase of our Rights Equity Shares at a premium to the market price or would otherwise be beneficial to our shareholders. Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of us. Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover under the SEBI Takeover Regulations. Since we are an Indian listed company, the provisions of the SEBI Takeover Regulations apply to us.

54. ***We and our Investors resident outside India are subject to foreign investment restrictions under Indian law which may adversely affect our Company's operations and its ability to freely sell the Rights Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

55. ***The market value of an Investor's investment may fluctuate due to the volatility of the Indian securities markets.***

Indian securities markets are more volatile than the securities markets in certain countries which are members of the OECD. Stock Exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. For example, in March 2020, Indian stock exchanges witnessed substantial volatility as the BSE and the NSE, India's main stock exchanges, halted trading for twice for 45 minutes within less than an hour on March 23, 2020 after their respective indices fell more than 10%. The market price of our Ordinary Shares could fluctuate significantly as a result of market volatility. We are subject to an index-based market-wide circuit breaker generally imposed by the SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that Investors will be able to sell the Rights Equity Shares at their preferred price or at all at any particular point in time.

Additionally, the Indian Stock Exchanges have experienced problems which, if they were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the equity shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on September 21, 2020, pursuant to section 62(1)(a) and other applicable provisions of the Companies Act, 2013. Further, the shareholders of our Company by way of a resolution dated October 12, 2020 have approved the increase in the authorized share capital of our Company.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in the section "*Terms of the Issue*" beginning on page 132.

	Rights Securities
Rights Securities being offered by our Company*	Up to [●] Rights Equity Shares with [●] detachable Warrant per Rights Equity Share.*
Rights Entitlement	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date along with [●] detachable Warrant for every Rights Equity Share allotted.
Record Date	[●].
Face Value	₹ 5 each.
Issue Price per Rights Equity Share	₹ [●] per Rights Equity Share.
Warrants Exercise Price	₹ [●] per Warrant.
Tenure of the Warrants	18 months from the date of allotment of the Warrants, i.e. Warrants which are not tendered to be converted into Equity Shares at the completion of the Warrant Exercise Period (18 months), shall lapse and the relevant holder/s of such Warrants shall not be entitled to allotment of the Equity Shares against such Warrants.
Warrant Exercise Period	A period that commences on the completion of the 1st month from the date of allotment of the Warrants and shall continue up to the completion of the 18th month from the date of allotment of the Warrants.
Dividend	Such dividend as may be recommended by our Board and declared by our shareholders.
Issue Size	Up to ₹ [●] lakhs.
Equity Shares subscribed, paid-up and outstanding prior to the Issue	27,766,527 Equity Shares of face value of ₹ 5 each.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) and having made fully paid-up	[●].
Security Codes for the Equity Shares	ISIN: INE893J01029 BSE Code: 533080 NSE Symbol: MOLDTKPAC
Terms of the Issue	For further information, see "*Terms of the Issue*" beginning on page 132.
Use of Issue Proceeds	For further information, see "*Objects of the Issue*" on page 43.

* *For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

\# *Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.*

Payment Schedule of Rights Equity Shares

Amount payable per Rights Equity Share (Due Date)*	**Face Value (₹)**	**Premium (₹)**	**Total (₹)**
On Application	[●]	[●]	[●]**
On Call (One or more) as determined by the Rights Committee at its sole discretion, from time to time	[●]	[●]	[●]***
Total	[●]	[●]	[●]

Amount payable per Rights Equity Share (Due Date)*	Face Value (₹)	Premium (₹)	Total (₹)
* *For further details on Payment Schedule, see "Terms of the Issue" on page* 138. ** Constitutes 25% of the price of the Rights Equity Shares. *** Constitutes 75% of the price of the Rights Equity Shares.			

Payment Schedule of detachable Warrants

Amount payable per detachable Warrant (Due Date)*	Face Value (₹)	Total (₹)
On Application	[●]	[●]**
On Warrant Exercise	[●]	[●]***
Total	[●]	[●]
* *For further details on Payment Schedule, see "Terms of the Issue" on page* 141. ** Constitutes 25% of the price of the Warrants. *** Constitutes 75% of the price of the Warrants.		

GENERAL INFORMATION

Our Company was originally incorporated as 'Tresure Paks Private Limited' a private limited company *vide* a certificate of incorporation dated February 28, 1997, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to 'Tresure Paks Limited' and a fresh certificate of incorporation was issued on August 10, 2007 by the Registrar of Companies, Andhra Pradesh, Hyderabad. Subsequently, the name of our Company was changed to 'Moldtek Plastics Limited' and a fresh certificate of incorporation consequent on change of name dated August 20, 2007, was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. Thereafter the name of our Company was changed to its present name 'Mold-Tek Packaging Limited' and a fresh certificate of incorporation consequent on change of name dated March 12, 2010, was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. The registered office of our Company changed from White House, 4th Floor, 6-3-1192/1/1, Kundan Bagh, Begumpet – 500 016, Hyderabad, Telangana to 8-2-293/82/A/700, Ground Floor, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana with effect from October 30, 2008.

Registered Office and Corporate Office of our Company

8 – 2 – 293/82/A/700,
Ground floor, Road No. 36,
Jubilee Hills,
Hyderabad – 500 033,
Telangana, India
Tel: (+91 040) 40300300
Website: www.moldtekpackaging.com
Corporate Identity Number: L21022TG1997PLC026542
Registration number: 026542
E-mail: cs@moldtekindia.com

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
2nd Floor, Corporate Bhawan
GSI Post, Tattiannaram
Bandlaguda, Nagole
Hyderabad, Telangana 500068

Company Secretary and Compliance Officer

Thakur Vishal Singh
Company Secretary and Compliance Officer
Plot No. 700, Road No. 36
Jubilee Hills, Hyderabad – 500033
Telangana
Tel: +91 40 40300323
Email: cs@moldtekpackaging.com

Lead Manager to the Issue

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar – West
Mumbai – 400028
Maharashtra, India
Tel: +91 22 6612 1212
E-mail: moldtekpack.ri@emkayglobal.com
Investor grievance e-mail: ibg@emkayglobal.com
Contact person: Deepak Yadav / Wincy Nadar
Website: www.emkayglobal.com
SEBI registration number: INM000011229

Legal Advisor to Issue

Trilegal
Peninsula Business Park
17th Floor, Tower B
Ganpat Rao Kadam Marg
Lower Parel (West)
Mumbai -400013
Tel: (91 22) 4079 1000

Statutory Auditors of our Company

M.Anandam & Co., Chartered Accountants
7A, Surya Towers, Sardar Patel Road
Secunderabad – 500 003
Tel: 040 - 27812377
Email: info@anandam.in
Firm registration no. 000125S
Peer review no. 011966

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Tel: +91 22 4918 6200
E-mail: moldtek.rights@linkintime.co.in
Investor grievance e-mail: moldtek.rights@linkintime.co.in
Contact person: Sumeet DeshpandeWebsite: www.linkintime.co.in
SEBI registration number: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Rights Securities applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" on page 147.

Experts

Our Company has received consents from its Statutory Auditors, M.Anandam & Co., Chartered Accountants through its letter dated [●], 2020 and confirmed to include their name in this Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act in respect of the Financial Statements and the Statement of Tax Benefits, respectively.

Bankers to the Issue

ICICI Bank Limited
Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai – 400 020
Maharashtra, India Tel: +91 22-66818911/23/24
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact Person: Saurabh Kumar

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 http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated 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

Last date for credit of Rights Entitlement	:	[●]
Issue Opening Date	:	[●]
Last date for On Market Renunciation	:	[●]
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 Rights Committee 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 30 (thirty) days from 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., [●]. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities may also apply in this Issue during the Issue Period. For details, see "*Terms of the Issue*" on page 132.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Managers 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.

Statement of responsibilities

Emkay Global Financial Services Limited is the Lead Manager to the Issue. The following table sets forth the responsibilities of the Lead Manager for various activities:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.
2.	Drafting, design and distribution of this Abridged Letter of Offer, Letter of Offer, Application Form, etc. The Lead Managers shall ensure compliance with the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Selection of various agencies connected with the Issue and finalizing the agreements, namely Registrar, Escrow Collection Bank/ Banker to the Issue and coordination of execution of related agreements and advertisement agencies.
4.	Assist drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.
5.	Submission of 1% security deposit, co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading etc.
6.	Formulating marketing strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and this Letter of Offer.
7.	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 or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and release of 1% security deposit, if any.

Credit Rating

As the Issue is of Rights Equity Shares and Warrants, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Rights Equity Shares and Warrants, the appointment of a debenture trustee is not required.

Monitoring Agency

As the Issue Size will be below ₹ 10,000 lakhs, the appointment of a monitoring agency is not required.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Underwriting

The Issue is not underwritten.

Minimum Subscription

As the Object of the Issue does not involve financing of capital expenditure and our Promoters, together with other persons in the Promoter Group have *vide* letters dated [●] confirmed their intention to subscribe to the full extent of their aggregate rights entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will simultaneously, file this Letter of Offer with SEBI at its office located at 7th Floor, 756-L, Anna Salai, Chennai - 600002, Tamil Nadu, India and the Stock Exchanges and will do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate Value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**(1)		
	40,000,000 Equity Shares of face value of ₹ 5 each	200,000,000	NA
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	27,766,527 Equity Shares of face value of ₹ 5 each	138,832,635	[●]
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**(2)		
	Up to [●] partly paid Rights Equity Shares (for Eligible Equity Shareholders) along with [●] detachable Warrants	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**(2) (3)		
	Issued share capital [●] Equity Shares of face value of ₹ 5 each	[●]	NA
	Subscribed and paid-up share capital [●] Equity Shares of face value of ₹ 5 each	[●]	NA
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER EXERCISE OF THE DETACHABLE WARRANTS**(2) (4)		
	Issued share capital [●] Equity Shares of face value of ₹ 5 each	[●]	-
	Subscribed and paid-up share capital [●] Equity Shares of face value of ₹ 5 each	[●]	-
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		₹ 767,304,729
	After all the Calls are made in respect of the Rights Equity Shares(5)		₹ [●]*

(1) The authorized share capital of our Company has been increased to ₹200,000,000 vide resolution passed by our shareholders dated October 12, 2020.
(2) The Issue has been authorised by our Board through resolution dated September 21, 2020.
(3) Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by the Rights Committee at its sole discretion.
(4) Assuming full conversion of Warrants.
(5) Assuming full payment of all Calls by holders of Rights Securities.
** Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.*

Notes to the Capital Structure

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

   (i) The shareholding pattern of our Company as on September 30, 2020, can be accessed on the website of the BSE at: *https://www.bseindia.com/stock-share-price/mold-tek-packaging-limited/moldtkpac/533080/shareholding-pattern/* and NSE at *https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=MOLDTKPAC*.

(ii) 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 September 30, 2020, can be accessed on the website of the BSE at *https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=533080&qtrid=107.00&QtrName=September%202020* and NSE at *https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=MOLDTKPAC*.

(iii) 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 September 30, 2020, 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=533080&qtrid=107.00&QtrName=September%202020* and NSE at *https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=MOLDTKPAC*.

2. **Except as disclosed below, no Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer.**

Sr. No.	Name of the Promoter /Promoter Group entity	Date of the Transaction	Stock Exchange	Number of Equity Shares	Nature of Transaction
1.	Sudharani Janumahanti	December 13, 2019	NSE	2,000	Market Purchase
		January 30, 2020		10,400	
		February 1, 2020		4,350	
		February 27, 2020 – March 4, 2020		5,151	
		March 18, 2020 – March 19, 2020		11,079	
		March 20, 2020 – March 24, 2020		21,746	
		March 26, 2020 – March 27, 2020		8500	
		March 30, 2020 – March 31, 2020		11,850	
		April 13, 2020		1,000	
2.	Golukonda Satyavati	March 19, 2020	NSE	450	Market Purchase
		March 20, 2020		550	
		March 23, 2020		2500	
3.	Sarada Janumahanti	March 23, 2020	NSE	500	Market Purchase
4.	Sathya Sravya Janumahanti	September 30, 2020	-	22,316	Off-market (Gift)
5.	Srinivas Madireddy	September 30, 2020	-	30,240	Off-market (Gift)

3. **Details of outstanding instruments**:

Except as provided below, 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 Letter of Offer.

ESOP Plan

The MTPL Employees Stock Option Scheme of 2010 and the MTPL Employees Stock Option Scheme – 2016 ("**ESOP Plan**") have received shareholders' approval on February 9, 2010 and on September 19, 2016, respectively. The MTPL Stock Option Scheme of 2010 has not been withdrawn. However, stock options are no longer granted under it and are only granted under the MTPL Employees Stock Option Scheme - 2016.

As on [●], the details of options pursuant to the ESOP Plan are as follows:

Particulars	MTPL Employees' Stock Option Scheme of 2010	MTPL Employees' Stock Option Scheme - 2016
Options granted	4,04,000	1,50,000
Options vested	3,72,800	75,475
Options exercised	3,72,800	75,475
Options cancelled	31,200	7,025
Total options outstanding	NIL	67,500

4. **Intention and extent of participation by our Promoter and Promoter Group**

Our Promoters, Janumahanti Lakshmana Rao, Adivishnu Subramanyam and Pattabhi Venkateswara Rao together with other persons in the Promoter Group have confirmed *vide* letters dated [●], their intention to subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group in the Issue. Further, our Promoter and Promoter Group may subscribe to additional Rights Securities that may remain unsubscribed in the Issue. The acquisition of Rights Securities by our Promoter and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Issue by such investors, shall not result in a change of control of the management of our Company. 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.

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

6. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

7. Except as disclosed in this Letter of Offer, all Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be partly paid up and the Equity Shares allotted pursuant to conversion of the Warrants shall be fully paid-up.

8. **Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on [●] October, 2020.

Sr. No	Name of Shareholder	Number of Equity Shares held	Percentage of Equity Shares held (%)
1	Lakshmana Rao Janumahanti	25,55,445	9.21
2	Subrahmanyam Adivishnu	20,29,124	7.32
3	Sudharani Janumahanti	15,25,544	5.50
4	Seshu Kumari Adivishnu	4,94,000	1.78
5	Srinivas Madireddy	4,67,276	1.68
6	N. Padmavathi	3,40,000	1.23
7	Golukonda Satyavati	3,09,008	1.11
8	DSP Small Cap Fund	18,08,643	6.52
9	Principal Trustee Company Private Limited - PRINCIP	8,75,453	3.16
10	Edelweiss Trusteeship Co Ltd Ac- Edelwei	3,03,146	1.09
11	Verdipapirfondet Odin Emerging Markets	11,02,663	3.98
12	Kitara India Micro Cap Growth Fund	8,27,849	2.99
13	Passage To India Master Fund Limited	3,50,454	1.26
14	Madhulika Agarwal	10,20,893	3.68
15	Ashish Kacholia	9,47,497	3.42
Total		**1,49,56,995**	**53.93**

9. For further details on the terms of the Issue, see "*Terms of the Issue*" beginning on page 132.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment/ prepayment of certain borrowings of our Company, in full or in part; and

2. General corporate purposes.

The objects, as stated in our Memorandum of Association, enables our Company to undertake (i) our existing activities; and (ii) the activities for which borrowings were availed and which are proposed to be repaid from the Net Proceeds.

Issue Proceeds

The details of the Net Proceeds are set forth in the following table:

(in ₹ lakhs)

Particulars	Estimated Amount
Gross proceeds*	[●]
Less: Issue expenses	[●]
Net Proceeds	[●]

* *Assuming full subscription and Allotment and receipt of all Call monies with respect to the Rights Equity Shares and all Warrant holders exercising their option to subscribe to Equity Shares against Warrants.*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ lakhs)

Particulars	Estimated Amount
Repayment/ prepayment of certain borrowings of our Company, in full or in part	[●]*
General corporate purposes	[●]
Total	[●]**

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

** *Assuming full subscription and Allotment and receipt of all Call monies with respect to the Rights Equity Shares and all Warrant holders exercising their option to subscribe to Equity Shares against Warrants.*

\# *Rounded off to two decimal places.*

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Promoter Group, Directors, key managerial personnel, associate companies as identified by our Company.

Means of Finance

The Net Proceeds from the Issue will be used for, (a) repayment/ prepayment of certain borrowings of our Company, in full or in part; and (b) general corporate purposes. The funding requirements mentioned above are based on our internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and we may have to revise our estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Consequently, our funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may also be subject to timing of making subsequent Calls (one or more) in the future, as determined by the Rights Committee at its sole discretion, and Warrant holders exercising their option to subscribe to Equity Shares against Warrants, with respect to the Rights Securities for the balance ₹ [●] per Rights Security which constitutes 75% of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, we may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. We propose to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

The details in relation to utilization of Net Proceeds of the Issue are set forth herein.

1. Repayment/ prepayment of certain borrowings of our Company

Our Company has entered into various financing arrangements with banks and financial institutions. The borrowing arrangements entered into by our Company comprises of term loans, working capital borrowings and auto loans. Our Company intends to utilise a part of the Net Proceeds amounting to up to ₹**[●]** lakhs towards full or partial repayment or prepayment of certain borrowings availed by our Company.

Schedule of implementation and deployment of funds

We will be receiving 25% of the Net Proceeds on Application and the balance shall be received by our Company in subsequent Calls (the timing of which shall be determined by the Rights Committee at its sole discretion) and upon Warrant holders exercising their option to subscribe to Equity Shares against Warrants. Accordingly, our Company retains the right to utilize the Net Proceeds to repay / prepay in full or in part the borrowings identified herein, as well as repay / prepay any other existing or fresh borrowings taken by our Company.

The following table lays out the detailed schedule of utilization of Net Proceeds in respect of repayment / prepayment of borrowings upon receipt of (i) Application Money; and (ii) Call Money(ies) and Warrant Exercise Price:

(a) Utilization of Net Proceeds upon receipt of Application Money

Estimated Amount *(in ₹ lakhs)*	**List of borrowings**
[●]	Part prepayment of the working capital facility of ₹3,272.82 lakhs availed from Citibank N.A

We propose to utilize the Net Proceeds received from the Application Money during Fiscal 2021.

(b) Utilization of Net Proceeds upon receipt of Call Money(ies) and Warrant Exercise Price

Estimated Amount *(in ₹ lakhs)*	**List of borrowings**
[●]	(i) Balance prepayment of the working capital facility of ₹3,272.82 lakhs availed from Citibank N.A (ii) Part prepayment of the working capital facility of ₹1,121.93 lakhs availed from ICICI Bank (iii) Part prepayment of the credit facility of ₹3,829.82 lakhs availed from HSBC

We propose to deploy the remaining Net Proceeds (upon receipt of Call Money(ies) and Warrant Exercise Price) towards the objects as described herein during Fiscal 2022. If the Net Proceeds are not completely utilised for the objects stated above by Fiscal 2022 due to factors including (i) levy of any prepayment penalties and the quantum thereof, and (ii) other commercial considerations, the same would be utilised (in part or full) in Fiscal 2023. Notwithstanding the schedule of implementation provided above, in the event the cost of borrowings or prepayment penalty of any of the existing facilities availed by our Company increases during their tenure, our Board reserves the right to deploy Net Proceeds to repay/ prepay such borrowings in priority.

The following table provides details of borrowings availed by our Company and are outstanding as on September 30, 2020, which our Company may repay or prepay the principal amount and/ or interest thereof, in full or in part, from the Net Proceeds, without any obligation to any financial institutions. The amounts outstanding against the facility disclosed below may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates. Accordingly, the amounts proposed to be prepaid and / or repaid against each facility is indicative and our Company may utilise the Net Proceeds to prepay and/ or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/ or repayment.

(in ₹ lakhs)

Sr. No.	Name of the Lender	Nature of the borrowing	Principal amount outstanding as at September 30, 2020	Amount proposed to be repaid/ prepaid	Interest Rate (p.a.)	Repayment Date/ Schedule	Prepayment penalty	Purpose[(1)]	Security
1.	Citibank N.A	Cash credit	3,272.82	3,272.82	9.00%	N.A.	2.00% of principal outstanding at the discretion of Citibank N.A.	To meet the working capital requirements of the Company.	(i) First *pari passu* charge on present and future stock and book debts of the Company; (ii) First *pari passu* charge through equitable mortgage on immoveable properties of the Company; and (iii) Personal guarantees of the Promoters.
2.	ICICI Bank		1,121.93	1,121.93	8.50%	N.A.	0.25% on principal amount or as stipulated by ICICI Bank.		(i) First *pari passu* charge on the current and fixed assets of the Company; (ii) First *pari passu* charge through equitable mortgage on immoveable properties of the Company; and (iii) Personal guarantees of the Promoters.
3.	HSBC		3,829.82	3,829.82	8.15%	N.A.	Subject to HSBC's discretion.		(i) First *pari passu* charge on present and future stock and book debts of the Company; (ii) First *pari passu* charge through hypothecation of moveable fixed assets of the Company; (iii) First *pari passu* charge through equitable mortgage on immoveable properties; and (iv) Personal guarantees of the Promoters.

(1) *As certified by M.Anandam & Co., Chartered Accountants, vide its certificate dated* [●], 2020. *Further, M.Anandam & Co., Chartered Accountants, have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.*

For further details of restrictive financial and other covenants in relation to our borrowings, please refer to "*Risk Factors – Restrictive financial and other covenants may limit our operations and financial flexibility*" on page 24.

Some of our Company's financing arrangements provide for the levy of prepayment penalties or premiums, which may be dependent on the repayment or prepayment being made on dates other than those specified in the relevant documents, to be calculated based on the amount outstanding / being prepaid, as applicable. See "*Risk Factors – Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain borrowings availed by our Company, and the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets*" on page 24. Payment of such prepayment penalty or premium, if any, shall be made by our Company out of the Net Proceeds of the Issue. Our Company has received consents from relevant lenders for prepayment or repayment.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe our leverage capacity will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements, such as undertaking financing from banks and financial institutions and draw down funds thereunder. In such cases or in case any of the above borrowings are repaid or prepaid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or prepayment of such additional indebtedness.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) brand building and other marketing expenses; (b) funding growth opportunities, including strategic initiatives; (c) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (d) meeting any expenses incurred in the ordinary course of business by us, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (e) meeting of exigencies which we may face in course of any business; and (f) any other purpose as permitted by applicable laws and as approved by the Rights Committee.

3. Estimated Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

(in ₹ lakhs)

Sr. No.	Activity Expense	Amount (in ₹ lakhs)	Percentage of Total Estimated Issue Expenditure	Percentage of Issue Size(1)
1.	Fees of the Lead Manager	[●]	[●]	[●]
2.	Brokerage, selling commission and upload fees	[●]	[●]	[●]
3.	Fees to the legal advisors, other professional services and statutory fees	[●]	[●]	[●]
4.	Fees of Registrar to the Issue	[●]	[●]	[●]
5.	Advertising and marketing expenses	[●]	[●]	[●]
6.	Fees of the regulators (including Stock Exchanges)			
7.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
	Total estimated issue related 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 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 Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of proceeds

Our Company shall deposit the Net Proceeds, pending utilisation by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Monitoring of Utilisation of Funds

Since the Issue size will be below ₹ 10,000 lakhs, the appointment of a monitoring agency is not required.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate.

Further, according to the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations and variations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. We will disclose the utilization of the Net Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. 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.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or Financial Partners

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

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

No part of the proceeds of this Issue will be paid by our Company to our Promoter, our Promoter Group or our Directors.

STATEMENT OF TAX BENEFITS

No. [●]

[●], 2020

To,

The Board of Directors
Mold-Tek Packaging Limited
8-2-293/82/A/700,
Ground Floor Road No 36,
Jubliee Hills, Hyderabad
Telangana- 500033

Emkay Global Financial Services Limited
7th Floor
The Ruby, Senapati Bapat Marg
Dadar - West,
Mumbai – 400028
Maharashtra, India

(Emkay Global Financial Services Limited is referred to as the "**Lead Manager**")

Subject: Statement of tax benefits ("Statement") available to Mold-Tek Packaging Limited (the "Company") and its shareholders identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

Dear Sir(s),

We hereby consent to use the Statement of Tax Benefits dated [●], 2020 in the letter of offer ("**LoF**") to be filed with the Securities and Exchange Board of India (the "**SEBI**") BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively referred to as the "**Stock Exchanges**") where securities of the Company are proposed to be listed. Please refer to **Annexure I** for details in relation to Statement of Tax Benefits available to the Company and its shareholders.

We also consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the LoF and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

The consent is for your information and for inclusion in the LoF, to be issued by the Company in relation to the Rights Issue and filed with the SEBI, the Stock Exchanges and the ROC as may be required.

The consent has been issued at the request of the Company for use in connection with the Rights Issue and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon by the Company, the Lead Manager, legal counsel and other advisors or intermediaries appointed pursuant to the Rights Issue and we undertake to immediately intimate the Lead Manager, legal counsel and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Yours faithfully,

For M.Anandam & Co.,
Chartered Accountants
Firm Registration No.: 000125S
Peer review number: 011966

B V Suresh Kumar
Partner
Membership No. 212187
UDIN: [●]

ANNEXURE I

STATEMENT OF TAX BENEFITS AVAILABLE TO MOLD-TEK PACKAGING LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The tax benefits stated below are as per the Income-tax Act, 1961 ("IT Act") as amended from time to time and Indirect Tax Regulations also amended from time to time.

A. Special tax benefits available to the Company and its shareholders under Income Tax Act, 1961

Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The tax expenses are recognised in the Statement of Profit and Loss for the year ended March 2020 by applying the tax rate as prescribed in section 115BAA of the IT Act.

B. Special tax benefits available to the Company and its shareholders under the indirect tax laws

1. Export Promotion Capital Goods (EPCG) Scheme

Under the EPCG scheme of the Central Government, a service provider or a manufacturer may import capital goods without payment of Customs duty, subject to the condition that such person fulfills an export obligation equivalent to 8 times of the duties, taxes and cess saved on capital goods, which is to be fulfilled in 8 years from the date of issue of authorisation. Capital goods include plant and machinery and/or accessories.

The Company may avail and enjoy the benefits under this scheme by importing capital goods without payment of duty subject to fulfillment of export obligations.

2. Merchandise Exports From India Scheme (MEIS)

MEIS was introduced in the Foreign Trade Policy (FTP) for the period 2015-2020. The MEIS was launched as an incentive scheme for the export of goods. The rewards are given by way of duty credit scrips to exporters. The MEIS is notified by the DGFT (Directorate General of Foreign Trade) and implemented by the Ministry of Commerce and Industry.

Till 30th June, 2020, the Company has received Rs.49.98 lakhs and as on 30th June, 2020 balance of Rs.8.60 lakhs is receivable.

3. State Industrial Incentive Policies

Various State Governments including Andhra Pradesh, Telangana, Karnataka, Maharashtra etc. to generate economic growth and revenue in their state, have issued State Industrial policies, which provide special incentives and benefits to manufacturers and service sector enterprises, investing in their state.

The fiscal incentives generally include:

- Capital investment subsidy capped at a certain limit is provided by the State Government to the concerned
- Enterprises
- Interest subsidy on loans
- Exemption/ concession from payment of stamp duty on sale/lease/ transfer of land
- Employment generation subsidy in the form of reimbursement of employers' contribution towards employees Employee's provident fund (EPF) and Employee's State insurance (ESI)
- Waiver of land conversion charges
- Subsidy in payment of state taxes

The State incentives mentioned above vary from state to state and also depend upon various factors such as the value of investments made by an enterprise as a new unit or expansion of the existing unit, area of establishment etc.

The Company may avail and enjoy the fiscal incentives provided in the state policies as follows:

a) The Govt. of Andhra Pradesh has extended the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax payment attributable to the sales affected out of production is deferred (interest-free) for a period of 14 years. The sales tax payment deferred in each year is repayable after the expiry of the deferment period. The Company has availed this scheme for production facility at Annaram unit (Unit 1), Telangana and production facility at Dommarapochampally unit (Unit 2) Telangana. The Company has availed total interest free loan of Rs.1311.25 lakhs and repaid an amount of Rs.1210.35 lakhs as on 30th June, 2020.

   Further, the Company has also applied for state incentives from the Govt of Telangana towards expansion at Annaram Unit.

b) The Company has availed exemption from the payment of stamp duty, electricity subsidy and sales tax incentive from the Government of Maharashtra under "Package Scheme of Incentives 2007 & 2013" for production facility at Khandala (Unit 7), Satara District, Maharashtra.

   The Company has received eligibility certificates for Rs.436.09 lakhs under Package Scheme of Incentives 2007 and Rs.299.24 lakhs under Package Scheme of Incentives 2013. As at 30th June,2020, the Company has claimed an amount of Rs. 387.60 lakhs and Rs. 144.92 lakhs under the above Schemes respectively.

c) The Company has availed concession from payment of stamp duty from Karnataka state government. Further, the Company has also applied for other incentives for set up of production facility at Adakanhally Industrial area (Unit 8), Mysore District, Karnataka.

d) The Company has applied for Industrial incentives for set up of production facility at Pudi Industrial area (Unit 9), Vizag District, Andhra Pradesh under Industrial Investment Promotion Policy (IIPP) 2015-20 of Government of Andhra Pradesh.

The benefits discussed above cover only special tax benefits available to the Company and to the shareholders of the Company and do not cover any general tax benefits available to the Company and its shareholders. The benefits discussed above are not exhaustive and the preparation of the contents is the responsibility of the Company's management. We are 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 tax consultant with respect to the specific tax implications arising out of their participation in the rights issue. We are neither

suggesting nor advising the investors to invest in the rights issue relying on this statement. Our views are based on the existing provisions of the tax laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update the tax benefits on any events subsequent to this date, which may have a material effect on the discussions herein. We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will obtain/ continue to obtain these special tax benefits in future; or

ii) the conditions prescribed for availing the special tax benefits have been / would be met with; or

iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the tax benefits are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We will immediately communicate any changes to the above information to the Company and the Lead Manager, in writing, until the date when the Equity Shares issued through the Issue commence trading on the relevant stock exchanges ("Stock Exchanges"). In the absence of any such communication from us, the Lead Manager and the legal counsel to the Issue, can assume that there is no change to the above information.

Unless the context requires otherwise, all capitalised terms used but not defined will have the same meaning assigned to them in the Letter of Offer. This certificate may be relied on by the Lead Manager and the legal counsel to the Issue and for the purpose of any defence, the Lead Manager may wish to advance in any claim or actual/ potential proceeding before any statutory/ regulatory authority/ stock exchanges in connection with the contents of the Letter of Offer or actual/potential dispute relating to or connected with the Letter of Offer.

For M.Anandam & Co
Chartered Accountants
Firm Registration No. 000125S

B V Suresh Kumar
Partner
Membership No. 212187

SECTION IV: ABOUT OUR COMPANY

DETAILS OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Please refer to the section "**Forward-Looking Statements**" for a discussion of the risks and uncertainties related to those statements and also the section "**Risk Factors**" 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. The financial figures used in this section, unless otherwise stated, have been derived from our Company's audit reports for the relevant years.*

The following table contains certain key disclosures and details in relation to the business of the Company:

<table>
<tr><td>Description of the industry</td><td>The packaging industry in India is a fast-growing industry and has an influence on all industries, directly or indirectly. The Indian packaging industry shows continuous growth. It is estimated that a considerable percentage of packaging in India constitutes rigid packaging, when compared to flexible packaging. The functions of packaging typically include the following - protective functions such as protection from shock, drop, pressure, heat, moisture etc., convenience functions such as transportation and stocking, and psychological function such as attractive graphic design, colours etc. Numerous factors may affect the packaging decision of a manufacturer, which inter alia include cost of packaging, functionality of packaging, brand enhancement and technology being used for packaging. Today, packaging is essential for industries such as food, cosmetics, pharmaceutical, liquid products etc.</td></tr>
<tr><td>Details in relation to nature of the Company's operations and its principal activities</td><td>We are a packaging solution company mainly engaged in the manufacturing of rigid plastic packaging containers through injection molding technology for paints, lubes, oils, food, FMCG and other sectors including cosmetics and pharmaceutical. We develop, design and manufacture standard airtight and pilfer – proof pails as well as customized containers to meet our customer's packaging requirements. We have introduced certain world class packaging products in India for paints, oil, lubricants, food and FMCG industries through continuous innovation. We decorate our products using screen printing, heat transfer labelling technique and In– Mold Labelling ("IML"), which is one of the modern and premium container decoration techniques globally. We have eight manufacturing units, four at Telangana and one each at Maharashtra, Daman, Karnataka and Andhra Pradesh. Our products mainly cater to three business segments viz (i) paint (ii) oil and lubricant, (iii) food and FMCG. Our products are available in different size and shapes such as circular, rectangular, curving and special shapes as per customer requirement. Our revenue from paint segment has grown from ₹ 18,462 lakhs in the Fiscal 2019 to ₹ 22,873 lakhs in the Fiscal 2020 showing a growth of 23.9%. Our revenue from oil and lubricant segment has decreased from ₹ 12,727 lakhs in the Fiscal 2019 to ₹ 10,710 lakhs in the Fiscal 2020 resulting into a reduction of 15.9% which is set-off by the food and FMCG segment which has grown from ₹ 9,233 lakhs in the Fiscal 2019 to ₹ 10,110 lakhs in the Fiscal 2020 at a rate of 9.5%.</td></tr>
<tr><td>Details in relation to the main categories of products sold by the Company</td><td>Our core competency lies in providing products that are focused on the specific customers' needs. We are engaged in the manufacturing of injection molded rigid plastics packaging containers for paints, lubes and oils, cosmetics, pharmaceuticals, food and FMCG sector through various technologies including IML decoration using Robots as per the requirements of our customers. We manufacture standard airtight and pilfer – proof pails as well as customized pails for our customers. Our products include lubricant containers, paint containers, other containers in different size, shape and models for FMCG; and food containers.

The income from our various lines of businesses including intra sales in Fiscal 2020 is summarized in the table below:
<table>
<tr><th>Line of Business</th><th>Fiscal 2020</th><th>%</th></tr>
<tr><td>Lubricant Containers</td><td>10,710</td><td>24.49</td></tr>
<tr><td>Paint Containers</td><td>22,873</td><td>52.40</td></tr>
<tr><td>Food Containers</td><td>10,110</td><td>23.11</td></tr>
<tr><td>Total</td><td>43693</td><td>100</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Information regarding end-users of the Company's products</td><td>We supply rigid containers primarily to paints and lube-oil companies in India. Our key customers include domestic and multi-national companies, amongst others. We also cater to some large companies in food and FMCG sector.

The details of our customers, in terms of contribution towards total sales for Fiscal 2020 are as follows:

(in ₹ lakhs)
<table>
<tr><th>Particulars</th><th>Fiscal 2020</th></tr>
<tr><td>Top customer</td><td>15,390</td></tr>
<tr><td>Top five customers</td><td>26,310</td></tr>
<tr><td>Top ten customers</td><td>32,042</td></tr>
</table></td></tr>
<tr><td>Details in relation to the plant, machinery and technology used by the Company</td><td>We have an in-house tool room equipped with 3 – dimensional CNC machine from USA, supported by latest CAD/CAM facilities. We are also equipped with an in-house offset and automatic silk screening multi – color process printing facilities. Our manufacturing units are enabled with IML technology which empower us to produce a picture quality images on pails. We have developed technology to produce in-house labels and Robots at competitive cost. As on date of this Letter of Offer, we have 56 Robots across our manufacturing facilities. Through this technology we place the pre-printed labels in the molds before the plastic flow into the mold below the label thereby fusing the label while molding itself. As on date of this Letter of Offer, we have also established 414 cavity fast cycle hot runner molds and Robots for production of IML decorated small containers for food and FMCG applications.</td></tr>
<tr><td>Manufacturing process undertaken by the Company</td><td>Our Company has installed machineries possessing different technologies required in the manufacturing process which vary from product to product. We mainly offer six kinds of decoration options to our customers (a) In– Mold Labelling; (b) Automatic Screen Printing; (c) Heat Transfer Label; (d) IML Robotic Decoration; (e) Offset Printing; and (f) Shrink Sleeving

The following process chart explains the main steps involved in the manufacturing process of the Company.

As explained in the process chart above, the main steps in the manufacturing process are:

• Raw Material and Procurement: Main raw materials involved in our manufacturing process include Poly Propylene Co – polymer, High Density Polyethylene, Low Density Polyethylene and Linear Low Density Polyethylene etc. which are procured mainly from domestic market.

• Injection Molding: Injection molding consists of high pressure injection of the melted plastic into a mold which shapes the polymer into the desired shape.

• In–Mold Labelling ("IML"): In the IML process, a Robot places an IML label into the mold prior to injecting the plastic. It is single step process wherein both molding and labelling take place simultaneously. The IML operations are hands free as handling is done by Robots.

• Screen Printing: In screen printing, we transfer ink onto the pail by squeeze pressure as per the design and specifications required by our customers. We have automatic screen printing machines which ensure better alignment of different colour on the pails. We use this technique for decorating/ printing design for paints and lubricant pails.</td></tr>
</table>

	• *Heat Transfer Labelling*: In heat transfer labelling process, we transfer the design that is printed on the release layer on to the object by heat transfer machine. Heat Transfer labelling gives 80% coverage of print on the product and the printed surface is susceptible to scratching and sun fading. • *Quality Check*: We are quality-centric company. We follow systematic online quality control, clean rooms at manufacturing and packing and GMP practices. Our quality assurance system is constantly being developed and extended in order to enhance customer satisfaction.
Details in relation to principal markets where the Company competes, and Company's approach in relation to marketing	The rigid packaging industry is highly fragmented in nature with large number of unorganized players. However, among all packaging segments injection molding is most complex in technology. The Company primarily operates within the domestic Indian market. We have an established track record on adoption of latest technology and development of in – house technical capabilities to control production cost, which is a source of competitive advantage for us and also acts as barrier to entry for the new entrants to a great extent. Our marketing strategy is based on the product type and end user segment. Marketing and business development are headed by our Deputy Managing Director, P Venkateshwara Rao. Our Chairman and Managing Director, J. Lakshamana Rao also overlooks marketing and is involved in framing strategies, target, future growth and new product ideas. The marketing team is based at our Company's office at Hyderabad and coordinate with customers for their requirements and sales orders.
Business strategy of the Company	Our strategy is to build upon our competitive strengths and business opportunities to become one of the leading rigid packaging companies in the world. We intend to achieve the objective of improving and consolidating our position in the manufacturing and marketing of rigid plastic packaging products by implementing strategies such as: • *Continued focus on innovation* - We recognize the importance of continued innovation in packaging products to cater the needs of various customers. As part of our efforts, we have been continuously working towards enhancing the utility and feature of our existing products and create new packaging products. • *Focus on cost reduction and improving cost efficiency* - Through our research and innovation, we have adopted various cost reduction measures including installation of high speed machines, using oil based paints, in house development of molds, IML label and Robots etc. • *Increasing contribution from food, FMCG industry and IML products* - With customization of IML technology and quality accreditation, we have been able to make headway in food and FMCG industry. IML products are hygienic and are made without any human contact making them best suited for food and FMCG packaging and offer better margins. As one of the first companies to introduce IML in India, we are in a better position to leverage our experience and increase contribution from this segment . • *Continue to invest in research and design to develop new products* - We have been focusing on research and innovation with our in-house dedicated division We are developing air and moisture barrier packing pails with IML technology as a new packaging solution for the food segment which would have the potential to replace glass packing if successful. We will consistently invest in research and design to innovate and develop new products and become preferred solution provider for our customers.

Details in relation to productive capacity and extent of utilization of the Company's facilities	The following table provides details in relation to Company's productive capacity and extent of utilization:

Plant	Location	Activity	Installed Capacity for Fiscal 2020	Utilised Capacity for Fiscal 2020
Unit – I	Annaram Village, Near Air Force Academy, Jinnaram Mandal, Medak District, Telangana	Manufacturing of plastic pails	**13,375 metric tonnes**	**62.88%**
Unit – II	Survey No. 164/Part, Dommarapochampally village, Quthbullapur Mandal, Ranga Reddy District, Telangana	Manufacturing of plastic pails	**3,383 metric tonnes**	**69.06%**
Unit – III	Survey No. 160 – A, 161 – 1 & 161 – 5, Kund Falla, Behind Hotel Hilltop, Near Costal Highway, Bhimpore, Nani Daman, Daman	Manufacturing of plastic pails	**9,435 metric tonnes**	**69.77%**
Unit – IV	Survey No. 79, Alinagar, Jinnaram Mandal, Mendak District, Telangana	Manufacturing of plastic pails	**1,235 metric tonnes**	**62.36%**
Unit – V	Survey No.110/1A1, 110/1A2, Street No.1, Onnalvadi, Hosur, Krishnagiri District, Tamilnadu	Manufacturing of plastic pails	**387 metric tonnes**	**80.22%**
Unit – VI	Survey No. 586 to 589/Part, Dundigal Village, Near SGS Ashram, Quthbullapur Mandal, Ranga Reddy District, Telangana	Label printing	**745 metric tonnes**	**65.25%**
Unit – VII	Gat No. 656, Khandala - Lonand Road, Mhavashi Village, Dhawad Wadi, Khandala, Satara District, Maharashtra	Manufacturing of plastic pails	**4,072 metric tonnes**	**81.65%**
Unit -VIII	Plot No.94, SY No. 186-P, 187-P, 193-P, 178-P, 179-P, 116-P, Adakanahally Industrial, Hobli, Nanajangud (Taluq), Mysore, Karnataka	Manufacturing of plastic pails	**3,613 metric tonnes**	**66.13%**
Unit – IX	Plot No. 2A, SY No. 215P, 255P, 256P, 261P, IC-Pudi, Pudi village, Rambilli (Mandal), Vishakhapatnam, Andhra Pradesh	Manufacturing of plastic pails	**2,487 metric tonnes**	**52.86%**

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of 10 Directors including one Chairman and Managing Director, two Deputy Managing Directors, one Whole-time Director, and six Non – Executive Directors, of which five are Independent Directors. The Articles of Association provide that our Company shall not have less than three Directors and not more than such number as provided in the Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, *inter alia*, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

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

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
1.	**Janumahanti Lakshmana Rao** ***Designation:*** Chairman and Managing Director ***Address***: Plot No. 321–K , Road No. 26, Jubilee Hills, Hyderabad – 500 034, Telangana, India ***DIN***: 00649702 ***Date of Birth:*** April 19,1959 ***Term***: For a period five years with effect from April 1, 2019 ***Period of Directorship:*** Since August 27, 2008 ***Occupation***: Service	61	• Mold-Tek Technologies Ltd
2.	**Adivishnu Subramanyam** ***Designation:*** Deputy Managing Director ***Address***: H. No. 8-2-268-V/20, 20A, Vivekananda Enclave, Road No. 3, Near Sagar Society, Banjara Hills, Hyderabad – 500 034, Telangana, India ***DIN***: 00654046 ***Date of Birth:*** July 8, 1954 ***Term***: For a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since August 27, 2008 ***Occupation***: Service	66	• Mold-Tek Technologies Ltd

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
3.	**Pattabhi Venkateswara Rao** ***Designation**:* Deputy Managing Director ***Address***: H. No. 7-1-214/4/1,2 and 3, Dharam Karan Road, Ameerpet, Hyderabad – 500016, Andhra Pradesh, India ***DIN***: 01254851 ***Date of Birth**:* January 18, 1957 ***Term***: For a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since August 27, 2008 ***Occupation***: Service	63	• Mold-Tek Technologies Ltd
4.	**Srinivas Madireddy** ***Designation**:* Whole-time Director ***Address***: HIG-29, Phase-9, KPHB Colony, Hyderabad – 500072, Telangana, India ***DIN***: 01311417 ***Date of Birth**:* May 13, 1966 ***Term***: For a period of 5 years with effect from May 14, 2018 ***Period of Directorship:*** Since May 14, 2018 ***Occupation***: Service	54	NIL
5.	**Janumahanti Mythraeyi** ***Designation**:* Non – Executive and Non - Independent Director ***Address***: Plot No. 321-K, Road No. 26, Jubilee Hills, Hyderabad – 500034, Telangana, India ***DIN***: 01770112 ***Date of Birth**:* October 29, 1934 ***Term***: Liable to retire by rotation ***Period of Directorship:*** Since August 27, 2008 ***Occupation***: Service	85	NIL

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
6.	**Talupunuri Venkateswara Rao** ***Designation**:* Independent Non – Executive Director ***Address***: 3-12-2, Praveena Residency, 3rd lane, Pattabhipuram, Guntur – 522006, Andhra Pradesh, India ***DIN***: 00572657 ***Date of Birth**:* July 22, 1956 ***Term***: For a period of five years with effect from September 30, 2019 ***Period of Directorship:*** Since August 27, 2008 ***Occupation***: Service	64	• Transmedia Technologies (A.P.) Private Limited • Bhavyabharati softsols Limited • Pallavi Sudha's Solutions Private Limited • Pallavisudha Infra Private Limited • Divyateja IT Consultancy Services Private Limited • Shivapriya Agri-Farms Private Limited
7.	**Venkata Appa Rao Kotagiri** ***Designation**:* Independent Director ***Address***: 9-22/2A, Hospital Street, Bobbili, Vizianagaram – 535558, Andhra Pradesh, India ***DIN***: 01741020 ***Date of Birth**:* April 10, 1959 ***Term***: For a period of five years with effect from May 14, 2018 ***Period of Directorship:*** Since May 14, 2018 ***Occupation***: Doctor	61	• Mold-Tek Technologies Limited • Bobbili Eye Hospital Private Limited • Sri-Srinivasa Rajeswari Agro-Tek Mills Private Limited
8.	**Eswara Rao Immaneni** ***Designation**:* Independent Director ***Address***: Plot No. 3, Road No. 3, Sector IV, Lotus Land Mark, Kedareswarapet, Vijayawada, Krishna – 520003, Andhra Pradesh, India ***DIN***: 08132183 ***Date of Birth**:* June 19, 1959 ***Term***: For a period of five years with effect from May 14, 2018 ***Period of Directorship:*** Since May 14, 2018 ***Occupation***: Chartered Accountant	61	• Sankalp Restructuring Private Limited

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
9.	**Dhanrajtirumala Narasimha Togaru** ***Designation**:* Independent Director ***Address***: 21, Reliance Villas, Chinna Thokatta, New Bowenpally Secunderabad, Hyderabad – 500011, Andhra Pradesh, India ***DIN***: 01411541 ***Date of Birth**:* April 19, 1960 ***Term***: For a period of five years with effect from January 27, 2020 ***Period of Directorship:*** Since January 27, 2020 ***Occupation***: Service	60	• CGI Simulations Private Limited • Mold-Tek Technologies Limited
10.	**Madhuri Venkata Ramani Viswanadham** ***Designation**:* Independent Director ***Address***: Flat # 101, Manbhum, Venkys Apts 6-3-1090/M/101, Rajbhavan Road, Somajiguda, Hyderabad - 500082 ***DIN***: 0008715322 ***Date of Birth**:* January 2, 1972 ***Term***: For a period of five years with effect from March 11, 2020 ***Period of Directorship:*** Since March 11, 2020 ***Occupation*:** Chartered Accountant	48	NIL

Confirmations

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 Letter of Offer, whose shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such company.

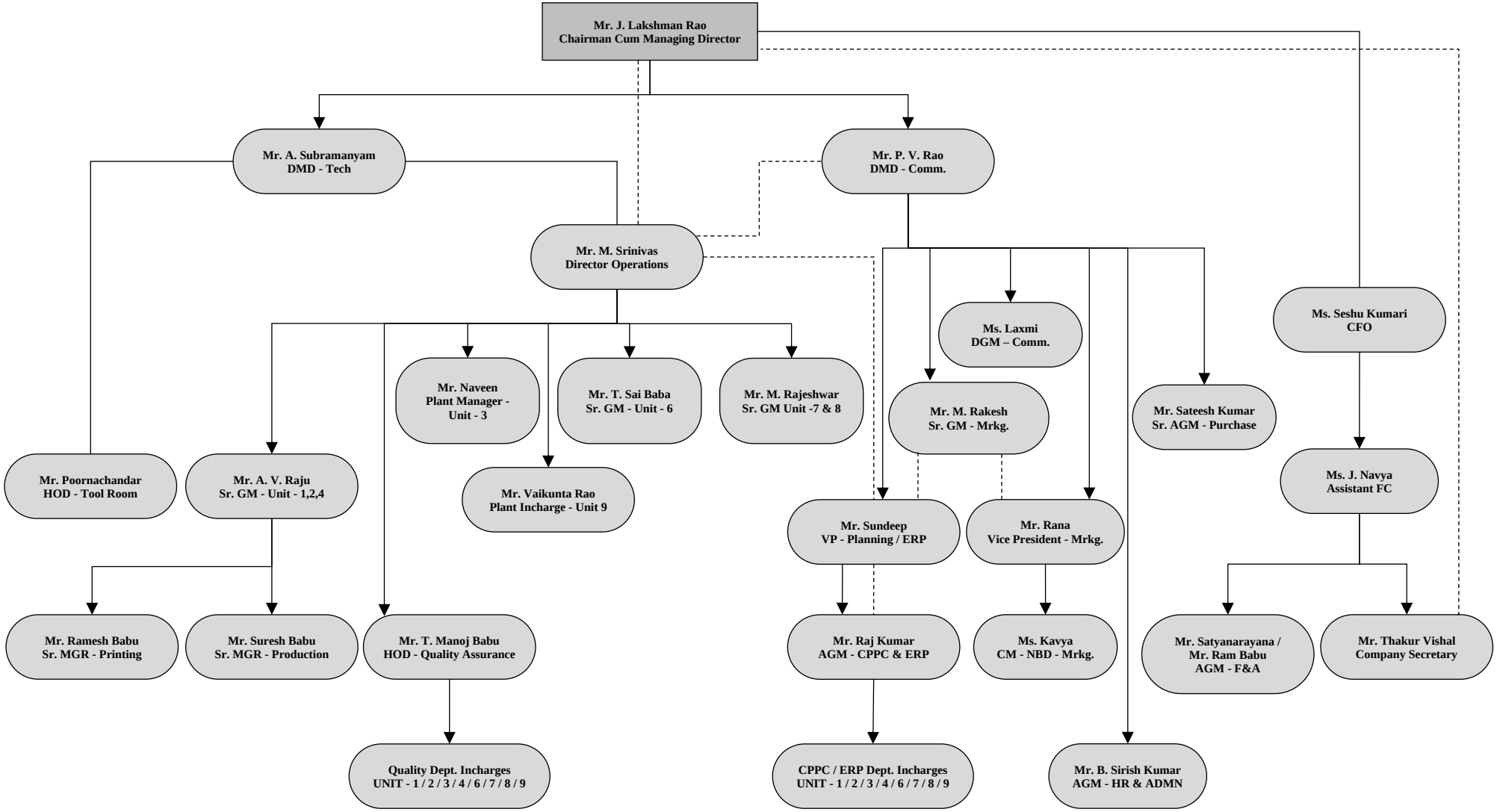
None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange in India, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer:

Details of key management personnel

In addition to Janumahanti Lakshmana Rao, Adivishnu Subramanyam, Pattabhi Venkateswara Rao and Srinivas Madireddy, who are also Directors, the Key Management Personnel of our Company as on the date of this Letter of Offer are as disclosed below. For details regarding Janumahanti Lakshmana Rao, Adivishnu Subramanyam, Pattabhi Venkateswara Rao and Srinivas Madireddy, see "*Our Management – Board of Directors*" above on page 56. As on the date of this Letter of Offer, our Company does not have any other senior management persons.

Sr. No.	Name, designation, date of appointment	Age
1.	**Thakur Vishal Singh** ***Designation:*** Company Secretary and Compliance Officer ***Date of appointment:*** May 14, 2018	28
2.	**Seshu Kumari Adivishnu** ***Designation:*** Chief Financial Officer ***Date of appointment:*** January 1, 2015	60

Current organizational structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page Number
1.	Audited Financial Statements as at and for the year March 31, 2020	63
2.	Limited Review Financial Information for the three-month period ended June 30, 2020	108

M. ANANDAM & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Mold-Tek Packaging Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Mold-Tek Packaging Limited** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary Mold-Tek Packaging FZE, UAE, (the Holding Company and its wholly owned subsidiary together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at 31 March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraphs (a) and (b) of other matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred. Refer Note 2 to the consolidated financial statements – Significant Accounting Policies.	**Principal Audit Procedures** Our audit approach was a combination of tests of internal controls and substantive procedures including: • Assessing the appropriateness of Group's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers. • Evaluating the design and implementation of Group's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off the year end. Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information included in the annual report does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Emphasis of Matter

The management of the Holding Company has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from the subsidiary and installed in Indian facilities of the Company. The Company has

made an additional provision of Rs.286.10 lakhs towards loan given (Refer Note 30 of the standalone financial statements). Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 consolidated 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 matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other matters

a) We did not audit the financial statements in respect of the wholly owned subsidiary whose financial statements reflect total assets of Rs.119.99 lakhs as at 31 March, 2020, total revenue of Rs.225.55 lakhs and net cash (outflows)/inflows amounting to Rs.12.89 Lakhs for the year ended on that date as considered in the consolidated financial statements, which have been audited by other independent auditor up to the period ended 31 December, 2019 and are unaudited for the period from 1 January, 2020 to 31 March, 2020. These financial statements have been audited for the period ended 31 December, 2019 since the wholly owned subsidiary follows a different accounting period from that of the Holding Company. Unaudited financial statements for the period from 1 January, 2020 to 31 March, 2020 have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of the wholly owned subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid wholly owned subsidiary is based solely on the report of the other auditor/unaudited financial statements/financial information as the case may be. In our opinion and according to the information and explanations given to us by the management, these unaudited financial statements / financial information are not material to the Group.

b) The financial statements of the wholly owned subsidiary, located outside India, have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Management has converted the financial statements from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditor and the conversion adjustments prepared by the Management and audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiary, as referred to in 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and returns and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer Note 31 of the consolidated financial statements);

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

B.V.Suresh Kumar
Partner
Membership No. 212187

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

UDIN: 20212187AAAABX9797
Place: Hyderabad
Date: 6th June, 2020

M. Anandam & Co.,
Chartered Accountants

Annexure "A" to the Independent Auditor's Report
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Mold-Tek Packaging Limited** ("the Holding Company") as of 31 March, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ('ICAI'). 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 Holding 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 Holding Company's internal financial controls system over financial reporting.

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

M. Anandam & Co.,
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 0001255)

B.V.S.Kumar

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

B.V.Suresh Kumar
Partner
Membership No. 212187

UDIN: 20212187AAAABX9797

Place: Hyderabad
Date: 6th June, 2020

MOLD-TEK PACKAGING LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	4.1	19836.33	18745.53
(b) Capital work-in-progress	4.2	1153.26	1604.25
(c) Investment property	4.3	5.23	5.36
(d) Intangible assets	4.4	64.12	30.87
(e) Intangible assets under development	4.5	21.24	19.17
(f) Right-of-use assets	4.6	338.36	341.89
(g) Financial assets			
(i) Investments	5.1	733.60	971.78
(ii) Other financial assets	5.2	23.45	22.09
(h) Other non-current assets	6	1325.43	647.91
Current assets			
(a) Inventories	7	4999.57	4593.67
(b) Financial assets			
(i) Trade receivables	8.1	5890.59	7036.99
(ii) Cash and cash equivalents	8.2	36.72	17.82
(iii) Bank balances other than (ii) above	8.3	77.81	76.70
(iv) Loans	8.4	21.61	33.64
(v) Other financial assets	8.5	307.41	251.98
(c) Current tax assets (net)	9	131.92	136.01
(d) Other current assets	10	1363.53	995.51
TOTAL ASSETS		**36330.18**	**35531.17**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1386.30	1384.55
(b) Other equity	12	18359.06	17781.98
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	13	2518.24	1894.68
(b) Provisions	14	261.74	203.28
(c) Deferred tax liabilities (net)	15	1161.37	1306.05
(d) Other non-current liabilities	16	8.53	17.16
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	8146.00	8397.84
(ii) Trade payables	17.2		
A. Dues to micro and small enterprises		10.57	27.18
B. Dues to creditors other than micro and small enterprises		1794.38	1793.29
(iii) Other financial liabilities	17.3	2243.22	2318.27
(b) Other current liabilities	18	390.52	250.42
(c) Provisions	19	50.25	156.47
TOTAL EQUITY AND LIABILITIES		**36330.18**	**35531.17**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date
For **M.Anandam & Co.,**
Chartered Accountants
Firm Registration Number: 0001255

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

B V Suresh Kumar
Partner
Membership No. 212187

Place: Hyderabad
Date: 6th June, 2020

For and on behalf of Board

J. Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

A. Subramanyam
Deputy Managing Director
DIN: 00654046

A. Seshu Kumari
Chief Financial Officer

Thakur Vishal Singh
Company Secretary
M.No.A41956

MOLD-TEK PACKAGING LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

Particulars	Note	Year ended 31 March, 2020	Year ended 31 March, 2019
I. Income			
Revenue from operations	22	43820.22	40571.88
Other income	23	115.93	112.79
II.Total income		**43936.15**	**40684.67**
III. Expenses			
Cost of materials consumed	24	25671.80	24621.50
Changes in inventories of finished goods and work-in-progress	25	80.59	(128.57)
Employee benefits expense	26	4999.83	4327.18
Finance costs	27	1039.81	756.89
Depreciation and amortization expense	28	1921.60	1610.50
Other expenses	29	5389.50	4719.38
Total expenses		**39103.13**	**35906.88**
IV. Profit before tax (II - III)		**4833.02**	**4777.79**
V. Tax expense:			
(1) Current tax		1216.74	1356.02
(2) Previous years tax expense		1.50	(52.88)
(3) Deferred tax		(128.97)	282.84
VI. Profit for the period (IV-V)		**3743.75**	**3191.81**
VII. Other comprehensive income			
Items that will not be reclassified to Profit or Loss			
i) Remeasurement of defined benefit plans		(62.42)	(45.86)
ii) Fair value changes in equity instruments		(238.18)	(59.28)
iii) Income tax relating to items (i &ii) above		15.71	16.03
b) Items that will be reclassified to profit or loss			
i) Exchange differences in translating the financial statements of a foreign operation		3.29	19.80
Other comprehensive income (net of tax)		**(281.60)**	**(69.31)**
VIII. Total comprehensive income for the year		**3462.15**	**3122.50**
Profit for the year			
Attributable to:			
Owners of the parent		**3743.75**	**3191.81**
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Owners of the parent		**3462.15**	**3122.50**
Non-controlling interests		-	-
IX. Earning per equity share (Face Value ₹5 each)			
(1) Basic	34	13.51	11.53
(2) Diluted		13.51	11.53

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date
For **M.Anandam & Co.,**
Chartered Accountants
Firm Registration Number: 000125S

B V Suresh Kumar
Partner
Membership No. 212187

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 6th June, 2020

For and on behalf of Board

J. Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

A. Subramanyam
Deputy Managing Director
DIN: 00654046

A. Seshu Kumari
Chief Financial Officer

Thakur Vishal Singh
Company Secretary
M.No.A41956

MOLD-TEK PACKAGING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

a. Equity share capital

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
Balance at the beginning of the year	11	1,384.55	1,384.55
Add: Changes in equity share capital during the year		1.75	-
Balance at the end of the year		1,386.30	1,384.55

b. Other equity

Particulars	Note	Reserves and Surplus					Exchange differences in translating the financial statements of foreign operations	Other Comprehensive Income	Total
		Securities premium	Capital reserve	General reserve	Share options outstanding account	Retained earnings			
Balance as at 1st April 2018		7480.70	57.15	1914.39	-	5865.42	(37.59)	714.74	15994.81
Profit for the year	12	-	-	-	-	3191.81	-	-	3191.81
Dividends (including corporate dividend tax)		-	-	-	-	(1335.33)	-	-	(1335.33)
Other comprehensive income		-	-	-	-	(29.83)	19.80	(59.28)	(69.31)
Balance as at 31 March, 2019		7480.70	57.15	1914.39	-	7692.07	(17.79)	655.46	17781.98
Profit for the year		-	-	-	-	3743.75	-	-	3743.75
Dividends (including corporate dividend tax)		-	-	-	-	(3006.58)	-	-	(3006.58)
Share-based payments to employees		-	-	-	47.48	-	-	-	47.48
Exercise of employee stock options		15.11	-	-	(15.11)	-	-	-	-
Shares issued on exercise of employee stock options		74.03							74.03
Other comprehensive income		-	-	-	-	(46.71)	3.29	(238.18)	(281.60)
Balance as at 31 March, 2020		7569.84	57.15	1914.39	32.37	8382.53	(14.50)	417.28	18359.06

As per our report of even date
For **M.Anandam & Co.,**
Chartered Accountants
Firm Registration Number: 000125S

B V Suresh Kumar
Partner
Membership No. 212187

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 6th June, 2020

For and on behalf of Board

J. Lakshmana Rao
Chairman &Managing Director
DIN: 00649702

A. Seshu Kumari
Chief Financial Officer

A. Subramanyam
Deputy Managing Director
DIN: 00654046

Thakur Vishal Singh
Company Secretary
M.No.A41956

MOLD-TEK PACKAGING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

Particulars	31 March, 2020	31 March, 2019
Cash flow from operating activities		
Profit before tax	4833.02	4777.79
Adjustments for:		
Depreciation and amortisation expense	1958.28	1650.95
Loss on disposal of property, plant and equipment (net)	12.52	1.89
Provision for bad and doubtful debts (net of reversals)	30.35	34.57
Fair value adjustments & translation differences	5.30	56.10
Finance costs	1039.81	756.89
Dividend income	(61.40)	(14.82)
Fair value changes on equity instruments	(238.18)	(59.28)
Remeasurement of defined employee benefit plans	(62.42)	(45.86)
Change in Operating assets and liabilities		
(Increase)/Decrease in Trade receivables	1116.05	1376.37
(Increase)/Decrease in financial assets other than trade receivables	(45.87)	(20.60)
(Increase) / Decrease in other assets	(1006.63)	(169.15)
(Increase) / Decrease in Inventories	(405.90)	638.75
Increase/(Decrease) in trade payables	(15.52)	37.34
Increase / (Decrease) in other financial liabilities	(245.05)	531.48
Increase / (Decrease) in provisions	(47.76)	129.98
Increase / (Decrease) in other liabilities	181.33	67.21
Cash generated from operations	**7047.93**	**9749.61**
Income taxes paid	(1253.05)	(1401.48)
Net cash inflow (outflow) from operating activities	**5794.88**	**8348.13**
Cash flows from investing activities		
Purchase of property, plant & equipment and intangible assets	(4100.08)	(8288.68)
Payment for acquiring right-of-use assets	-	(349.02)
(Increase)/decrease in capital work-in-progress and intangible assets under development	448.92	(133.47)
Dividend income	61.40	14.82
Fair value changes in investments	238.18	59.28
Proceeds from sale of property, plant & equipment	1008.88	1138.76
Net cash inflow (outflow) from investing activities	**(2342.70)**	**(7558.31)**
Cash flow from financing activities		
Proceeds from non-current borrowings (Refer note 20)	2080.93	2123.00
Repayment of non-current borrowings (Refer note 20)	(1306.87)	(583.66)
Proceeds/ (repayment) from current borrowings (Refer note 20)	(251.84)	(237.76)
Dividend paid including corporate dividend tax	(3006.58)	(1335.33)
Increase in securities premium	89.14	-
Proceeds from issue of shares	1.75	-
Finance costs	(1039.81)	(756.89)
Net cash inflow (outflow) from financing activities	**(3433.28)**	**(790.64)**
Net increase (decrease) in cash and cash equivalents	**18.90**	**(0.82)**
Cash and cash equivalents at the beginning of the year	**17.82**	**18.64**
Cash and cash equivalents at the end of the year	**36.72**	**17.82**

The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes form an integral part of the financial statements

As per our report of even date
For **M.Anandam & Co.,**
Chartered Accountants
Firm Registration Number: 000125S

B V Suresh Kumar
Partner
Membership No. 212187

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 6th June, 2020

For and on behalf of Board

J. Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

A. Subramanyam
Deputy Managing Director
DIN: 00654046

A. Seshu Kumari
Chief Financial Officer

Thakur Vishal Singh
Company Secretary
M.No.A41956

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

1 **Group information:**

Mold-Tek Packaging Limited ('the Parent') is a public limited group incorporated in India having its registered office at Hyderabad, Telangana, India. The Group is involved in the manufacturing of injection-molded containers. Mold-Tek Packaging FZE is the wholly owned subsidiary incorporated in UAE (together referred to as Group).

2 **Significant accounting policies:**

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

b) Basis of preparation:

The Consolidated Financial Statements (CFS) include the financial statements of the group and its wholly owned subsidiary.

The assets, liabilities, income and expenses of the wholly owned subsidary is aggregated and consolidtaed line by line. Profit or loss and each component of other comprehensive income are attributed to the owners. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Revenue recognition:

i) Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Group to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

ii) Other income

Dividend income is recognised when the right to receive the income is established.
Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

Sales tax incentives are recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

d) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.
Other borrowings costs are expensed in the period in which they are incurred.

e) 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 recognized 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. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at 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. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations
The liability or assets recognized in the balance sheet in respect of gratuity 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.
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 recognized 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.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

(iv) Defined contribution plans
The Group pays provident fund contributions to publicly administered funds as per local regulations wherever applicable. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(v) Bonus plans
The Group recognizes a liability and an expense for bonuses wherever applicable. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

f) Income taxes

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

g) Property, Plant and Equipment (PPE):

PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises of purchase price, applicable duties and taxes net of input tax credit, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of PPE comprises major components having different useful lives, these components are accounted for as separate items.

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, net of input tax credits availed. The depreciation is provided over the life estimated by the management.

Self constructed assets (Moulds): The Group transfers all the directly attributable expenditure incurred towards construction of moulds including depreciation on actual cost basis.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

h) Expenditure during construction period and intangible assets under development:

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Intangible Assets under developement includes the expenditure incurred for acquistion of intangible assets.

i) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

j) Intangible assets and amortization:

Intangible assets acquired separately are measured on initial recognition cost and are amortized on straight line method based on the estimated useful lives.

The amortization period and amortization method are reviewed at each financial year end.

Computer Software is amortized over a period of five years.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

k) Investment property:

Investment property is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Depreciation on building is provided over it's useful life of 30 years using the Straight Line Method.

l) Impairment of assets:

Intangible assets and Property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m) Inventories:

Inventories includes Raw materials, Work-in-progress, Finished goods, Stores & Spares, Packing materials and other consumables. These are valued at lower of cost and net realizable value (NRV). However, raw materials are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Further, cost is determined on weighted average basis.

Materials in transit

Valuation of Inventories of Materials in Transit is done at Cost.

Work-in-Progress (WIP) and Finished goods

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

n) Provisions, Contingent liabilities and Contingent assets :

The Group recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to the reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

o) Financial instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

p) Earnings per share :

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

r) Transactions in foreign currencies

The presentation currency of the Group is Indian Rupee.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

t) Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

u) Leases

As a lessee:

The Group assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(1) The Contract involves the use of an identified asset;

(2) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

(3) The Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Financial assets

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. Further, in case where the Group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

MOLD-TEK PACKAGING LIMITED

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The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

v) Employee share based payments:

Equity- settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

w) Dividend distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

x) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

y) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2020.

3 Use of estimates and critical accounting judgements:

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.
Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

4.1(a) Property, Plant and Equipment

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	Adjustment	As at 31 March, 2020	As at 31 March, 2020
Freehold land	1097.92	-	-	-	-	1097.92	-	-	-	-	-	1097.92
Buildings	5280.46	247.05	-	-	-	5527.51	298.86	179.50	-	-	478.36	5049.15
Plant and equipment	9601.71	1842.93	685.17	(83.80)	50.56	10893.83	2044.05	1025.19	102.88	6.94	2973.30	7920.53
Moulds	4110.72	1438.79	434.92	23.97	27.15	5117.77	899.46	458.77	46.31	3.37	1315.29	3802.48
Electrical installations	788.03	99.96	107.69	(15.40)	7.97	803.67	139.29	80.14	26.90	1.64	194.17	609.50
Works equipment & instruments	527.21	77.40	34.27	(14.69)	2.31	587.34	69.99	60.02	10.20	0.42	120.23	467.11
Office equipment	96.35	42.64	38.61	(5.84)	1.28	107.50	43.69	17.64	26.73	0.50	35.10	72.40
Computers and Data processing equipment	58.07	28.00	4.44	1.24	0.27	80.66	29.44	15.33	2.74	0.19	42.22	38.44
Furniture and fixtures	384.51	103.09	11.10	(6.07)	0.83	483.40	62.62	45.64	2.37	0.15	106.04	377.36
Vehicles	479.33	95.17	18.12	-	2.70	559.08	104.62	58.40	6.23	0.85	157.64	401.44
Leasehold improvements	22.88	-	24.09	-	1.21	-	9.65	2.42	12.44	0.37	-	-
TOTAL	**22447.19**	**3975.03**	**1358.41**	**(100.59)**	**94.28**	**25258.68**	**3701.66**	**1943.05**	**236.80**	**14.43**	**5422.35**	**19836.33**

Land includes ₹220.40 Lakhs paid under agreement for sale with Andhra Pradesh Industrial Infrastructure Corporation (APIIC) which is located at Pudi(Visakhapatnam) (Unit-IX) and the same is pending registration. Further the group has paid stamp duty for the purpose of registration.

4.1(b) Property, Plant and Equipment

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	Adjustment	As at 31 March, 2019	As at 31 March, 2019
Freehold land	868.41	229.51	-	-	-	1097.92	-	-	-	-	-	1097.92
Buildings	3321.50	1958.96	-	-	-	5280.46	178.83	120.03	-	-	298.86	4981.60
Plant and equipment	6964.54	3395.36	850.28	(13.72)	78.37	9601.71	1274.77	889.12	126.35	6.50	2044.05	7557.66
Moulds	2881.73	1617.25	427.94	4.42	44.10	4110.72	548.83	398.62	50.80	2.81	899.46	3211.26
Electrical installations	505.67	285.99	8.99	-	5.36	788.03	80.01	61.98	3.31	0.61	139.29	648.74
Works equipment & instruments	241.72	284.22	-	-	1.27	527.21	36.85	32.99	-	0.15	69.99	457.22
Office equipment	75.00	20.49	-	-	0.86	96.35	27.79	15.73	-	0.18	43.69	52.66
Computers and Data processing equipment	40.18	17.73	-	-	0.16	58.07	17.49	11.87	-	0.07	29.44	28.63
Furniture and fixtures	208.88	175.14	-	-	0.49	384.51	33.52	29.05	-	0.05	62.62	321.89
Vehicles	416.71	168.38	107.60	-	1.84	479.33	99.76	68.90	64.40	0.36	104.62	374.71
Leasehold improvements	22.05	-	-	-	0.83	22.88	5.75	3.76	-	0.14	9.65	13.23
TOTAL	**15546.39**	**8153.03**	**1394.81**	**(9.30)**	**133.28**	**22447.19**	**2303.60**	**1632.05**	**244.86**	**10.87**	**3701.66**	**18745.53**

MOLD-TEK PACKAGING LIMITED

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All amounts in ₹ lakhs , unless otherwise stated

4.2(a) Capital work-in-progress as at 31 March, 2020: ₹1153.26 lakhs

Capital work-in-progress includes buildings of ₹164.02 lakhs, plant and equipment of ₹116.17 lakhs and moulds of ₹873.07 lakhs.

4.2(b) Capital work-in-progress as at 31 March, 2019: ₹1604.25 lakhs

Capital work-in-progress includes land & buildings of ₹57.18 lakhs, plant and equipment of ₹717.63 lakhs and moulds of ₹829.44 lakhs.

4.3(a) Investment Property

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	Adjustment	As at 31 March, 2020	As at 31 March, 2020
Freehold land	4.12	-	-	-	-	4.12	-	-	-	-	-	4.12
Buildings	1.63	-	-	-	-	1.63	0.39	0.13	-	-	0.52	1.11
TOTAL	**5.75**	**-**	**-**	**-**	**-**	**5.75**	**0.39**	**0.13**	**-**	**-**	**0.52**	**5.23**

4.3(b) Investment Property

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	Adjustment	As at 31 March, 2019	As at 31 March, 2019
Freehold land	4.12	-	-	-	-	4.12	-	-	-	-	-	4.12
Buildings	1.63	-	-	-	-	1.63	0.26	0.13	-	-	0.39	1.24
TOTAL	**5.75**	**-**	**-**	**-**	**-**	**5.75**	**0.26**	**0.13**	**-**	**-**	**0.39**	**5.36**

4.3(d) Disclosures - Ind AS 40

Particulars	2019-20	2018-19
Rental income from investment property	2.06	2.06
Direct operating expenses (including repairs and maintenance) generated rental income	0.76	-
Income from investment property (net)	**1.30**	**2.06**

Fair value of the investment property as at 31 March, 2020 ₹ 213.38 lakhs, (2019 - ₹ 213.38 lakhs)

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

4.4(a) Intangible assets

Particulars	Gross carrying amount						Accumulated amortisation					Net carrying amount
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	Adjustment	As at 31 March, 2020	As at 31 March, 2020
Computer software	66.54	45.17	0.73	-	0.06	111.04	35.67	11.57	0.35	0.03	46.92	64.12
TOTAL	**66.54**	**45.17**	**0.73**	-	**0.06**	**111.04**	**35.67**	**11.57**	**0.35**	**0.03**	**46.92**	**64.12**

4.4(b) Intangible assets

Particulars	Gross carrying amount						Accumulated amortisation					Net carrying amount
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	Adjustment	As at 31 March, 2019	As at 31 March, 2019
Computer software	53.29	13.21	-	-	0.04	66.54	24.02	11.64	-	0.01	35.67	30.87
TOTAL	**53.29**	**13.21**	-	-	**0.04**	**66.54**	**24.02**	**11.64**	-	**0.01**	**35.67**	**30.87**

4.5(a) Intangible assets under development as at 31 March, 2020: ₹21.24 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹21.24 lakhs.

4.5(b) Intangible assets under development as at 31 March, 2019: ₹19.17 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹19.17 lakhs.

4.6 Right-of-use assets

On transition, the Group has applied the IND AS 116 to its leases (viz., Leasehold land located at Mysore plant) restrospectively as per para C5(a) of Appendix C which resulted in recognition of 'Right-of-Use' (RoU) asset of ₹341.89 lakhs (P.Y ₹349.02 lakhs). There is no effect of adoption of this standard since there is no future liability on the Group except for nominal lease rent of Rs.1,000 per acre for 4 acres.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opeing balance	341.89	-
Add: Additions during the year	-	349.02
Less: Amortisation during the year	(3.53)	(7.13)
Net carrying amount	**338.36**	**341.89**

Rental expense recorded for short-term leases is ₹189.55 lakhs (P.Y ₹245.21 lakhs) for the year ended 31 March, 2020.

MOLD-TEK PACKAGING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

5.1. Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
Designated at Fair value through Other Comprehensive Income (FVOCI)		
Investments in Equity Instruments (quoted - fully paid up)		
Mold-Tek Technologies Limited 2,117,165 (2019-2,117,165) shares of ₹2 each	733.60	971.78
TOTAL	**733.60**	**971.78**
Aggregate amount of quoted investments	733.60	971.78
Aggregate amount of impairment in value of investments	-	-

5.2. Other financial assets (non - current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earmarked balances		
Margin money deposits with banks against guarantees	23.45	22.09
TOTAL	**23.45**	**22.09**

6. Other non-current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good		
Capital advances	1095.57	381.49
Deposits with government and others	229.86	266.42
TOTAL	**1325.43**	**647.91**

Capital advances includes amounts paid towards aquisition of machinery ₹601.82 lakhs (P.Y ₹305.11 lakhs), towards construction of buildings ₹8.65 lakhs (P.Y ₹16.02 lakhs) and advance paid towards land ₹485.10 lakhs (P.Y ₹60.36 lakhs).

7. Inventories

Particulars	As at 31 March, 2020	As at 31 March, 2019
(Valued at lower of cost and net realizable value)		
a) Raw material	1886.17	1389.63
b) Work-in-progress	881.84	805.99
c) Finished goods	717.58	872.91
(including material in transit of ₹36.06 lakhs (2019 - ₹176.81 lakhs))		
d) Packing Materials	63.59	72.61
e) Stores & spares	85.61	71.41
f) Consumables	1364.78	1381.12
TOTAL	**4999.57**	**4593.67**

8.1. Trade receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good	5971.25	7112.74
Less: Allowance for expected credit loss	(80.66)	(75.75)
TOTAL	**5890.59**	**7036.99**

8.2. Cash and Cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Balances with banks		
in current accounts	30.91	5.91
b) Cash on hand	5.81	11.91
TOTAL	**36.72**	**17.82**

MOLD-TEK PACKAGING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

8.3. Bank balances other than (ii) above

Particulars	As at 31 March, 2020	As at 31 March, 2019
- Unpaid dividend accounts		
- Unpaid dividend bank accounts	77.81	76.70
TOTAL	77.81	76.70

8.4. Loans (current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good		
Employee advances	21.61	33.64
TOTAL	21.61	33.64

8.5. Other financial assets (current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Sales tax incentive receivable*	300.64	235.92
Export benefits receivables**	6.77	16.06
TOTAL	307.41	251.98

*During the year the group has received ₹16.23 lakhs against balance 15% of sales tax incentive from Maharashtra state government on account of "Package Scheme of incentives 2008 & 2013", pertaining to financial year 2013-14, 2014-15 & 2015-16. An amount of ₹93.53 lakhs (P.Y ₹109.08 lakhs)has been considered as incentive receivable for financial year 2019-20.

**During the year the group has received ₹1.14 lakhs pertaining to financial year 2016-17, ₹5.91 lakhs pertaining to financial year 2017-18 and ₹2.24 lakhs pertaining to financial year 2018-19 against export incentive under "Merchandise Exports from India Scheme".

9. Current tax assets/ (liabilities) (net)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	136.01	37.51
Add: Taxes paid pertaining to previous years	2.40	0.16
Add: Advance tax and TDS of current year	1253.05	1401.48
Less: Provision for current tax	(1216.74)	(1303.14)
Less: Tax refunds received pertaining to earlier years	(42.80)	-
TOTAL	131.92	136.01

10. Other current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Prepaid expenses	79.09	40.09
Supplier advances	1083.17	306.43
Advance for CSR expenses	15.00	2.14
Advances for expenses to employees	11.71	17.58
Deposit with customs, GST input tax credit & Value added tax credit	174.56	629.27
TOTAL	1363.53	995.51

11. Equity share capital

Particulars	As at 31 March, 2020	As at 31 March, 2019
AUTHORIZED:		
29,000,000 (P.Y 29,000,000) Equity Shares of ₹5/- each	1450.00	1450.00
TOTAL	1450.00	1450.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
27,726,027 (P.Y 27,691,052) equity shares of ₹ 5/- each fully paid up	1386.30	1384.55
TOTAL	1386.30	1384.55

MOLD-TEK PACKAGING LIMITED
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a) 79,95,776 equity shares out of the issued, subscribed and paid up share capital were allotted in the financial year 2008-09 pursuant to the Scheme of arrangement without payments being received in cash.

b) 46,625 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 6th July, 2011 by way of Employee Stock Option Scheme.

c) 12,40,000 equity shares of ₹10 each issued at a premium of ₹30 per share on 7th September, 2011 by way of preferential offer.

d) 9,125 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 19th December, 2011 by way of Employee Stock Option Scheme.

e) 19,25,000 equity shares of ₹10 each issued at a premium of ₹35.80 per share on 4th February, 2012 by way of preferential offer.

f) 37,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 5th July, 2012 by way of Employee Stock Option Scheme.

g) 22,950 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 28th June, 2013 by way of Employee Stock Option Scheme.

h) 25,100 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 13th June, 2014 by way of Employee Stock Option Scheme.

i) 39,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 25th July, 2014 by way of Employee Stock Option Scheme.

j) 24,98,350 equity shares of ₹10 each issued at a premium of ₹210.17 per share on 3rd February, 2015 by way of Qualified institutional placement.

k) 5,000 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 9th April, 2015 by way of Employee Stock Option Scheme.

l) Shareholders on February 3, 2016 approved the share split of ₹10 each, fully paid up into 2 (Two) equity shares of ₹5 each fully paid up. The Board of Directors fixed the record date as February 18, 2016. On February 17, 2016 the group has sub-divided the existing fully paid Equity Shares of 1,38,45,526 with face of ₹10 each into 2,76,91,052 fully paid up shares with face value of ₹5 Each.

m) 23,325 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 18th October, 2019 by way of Employee Stock Option Scheme.

n) 11,650 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 27th October, 2019 by way of Employee Stock Option Scheme.

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at 01 April, 2018	**27691052**	**1384.55**
Movement during the year	-	-
Balance at 31 March, 2019	**27691052**	**1384.55**
Movement during the year	34975	1.75
Balance at 31 March, 2020	**27726027**	**1386.30**

(B) Details of shareholders holding more than 5% shares in the group

Name of the shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% holding	No. of Shares	% holding
J. Lakshmana Rao	2555445	9.22	2555445	9.23
A. Subramanyam	2029124	7.32	2029124	7.33
J. Sudha Rani	1506194	5.43	1491588	5.39
DSP Blackrock small cap fund	1808643	6.52	1808643	6.53

(C) MTPL Employee Stock Option Scheme

In respect of 2,02,000 Options granted to employees on 4 June, 2010 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹26 per option.

In respect of 95,100 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹208 per option.

In respect of 54,900 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹234 per option.

Pursuant to the shareholders approval dated 3 Feb 2016, the group's Equity shares of ₹10 each were split into Equity shares of ₹5 each fully paid up and consequently the above options with face value of ₹10 were converted to face value of ₹5 each.

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All amounts in ₹ lakhs , unless otherwise stated

Particulars	As at 31 March	
	2020	2019
Options outstanding at the beginning of the year*	150000	150000
Add: Granted	-	-
Less: Exercised	(34575)	-
Less: Forfeited/Lapsed	(2525)	-
Options outstanding as at the end of year	**112500**	**150000**

* based on the split up of shares of ₹10 each to ₹5 each.

(C) Terms/Rights attached to equity shares

The Group has only one class of equity shares having a face value of ₹ 5 each. Each holder of equity share is entitled to one vote per share. The group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the group, the equity shareholders will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12. Other equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
Reserves and surplus		
Securities premium	7569.84	7480.70
Capital reserve	57.15	57.15
General reserve	1914.39	1914.39
Share options outstanding account	32.37	-
Retained earnings	8382.53	7692.07
Exchange differences in translating the financial statements of foreign operations	(14.50)	(17.79)
Equity instruments through Other Comprehensive Income	417.28	655.46
TOTAL	**18359.06**	**17781.98**

(i) Securities premium

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7480.70	7480.70
Movement during the year	89.14	-
Closing balance	**7569.84**	**7480.70**

(ii) Capital reserve

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	57.15	57.15
Movement during the year	-	-
Closing balance	**57.15**	**57.15**

(iii) General reserve

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	1914.39	1914.39
Movement during the year	-	-
Closing balance	**1914.39**	**1914.39**

(iv) Share options outstanding account

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	-	-
Add: On account of Share-based payments to employees	47.48	-
Less: On account of exercise of employee stock options	(15.11)	-
Closing balance	**32.37**	-

(v) Retained earnings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7692.07	5865.42
Add: Profit for the year	3743.75	3191.81
Less: Dividends including tax	(3006.58)	(1335.33)
Less: Remeasurements of post employment benefit obligation, net of tax (OCI)	(46.71)	(29.83)
Closing balance	**8382.53**	**7692.07**

MOLD-TEK PACKAGING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

(vi) Exchange differences in translating the financial statements of foreign operations

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	(17.79)	(37.59)
Other comprehensive income	3.29	19.80
Closing balance	**(14.50)**	**(17.79)**

(vii) Equity Instruments through Other Comprehensive Income

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	655.46	714.74
Less: Net changes in fair value of financial instruments	(238.18)	(59.28)
Closing balance	**417.28**	**655.46**

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act.

(ii) Capital reserve

Capital reserve arised on account of amalgamation, transfer of forfeited shares amount, state subsidy and others. The reserve is utilised in accordance with the provision of the Companies Act.

(iii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iv) Share options outstanding account

The reserve represents the excess of the fair value of the options on the grant date over the exercise price which is accumulated by the group in respect of all options that have been granted. The group transfers the proportionate amounts, outstanding in this account, in relation to options exercised to securities premium account on the date of exercise of such options.

(v) Retained earnings

This reserve represents the cumulative profits of the group and effects of remeasurement of defined benefit obligations and can be utilized in accordance with the provisions of the Companies Act, 2013.

(vi) Exchange differences in translating the financial statements of foreign operations

This reserve represents the cumulative gains/loss (net) arising on fair valuation of Equity Instruments, net of amounts reclassified, if any, to retained earnings when those instruments are disposed off.

(vii) Equity Instruments through Other Comprehensive Income

This reserve represents the cumulative gains (net) arising on fair valuation of Equity instruments, net of amounts reclassified, if any, to Retained earnings when those instruments are disposed off.

MOLD-TEK PACKAGING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

13. Borrowings (non- current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Secured loans		
Term loans		
From banks	2218.48	1241.39
Vehicle loans from banks & financial institutions	83.45	93.26
From others	166.67	500.00
b) Unsecured loans	-	-
Deferred payment liabilities- Sales tax deferment loan	49.64	60.03
TOTAL	**2518.24**	**1894.68**

a) Secured loans

i. Term loans from banks & financial institutions

During the year, the group has availed Term loan of ₹1995.19 lakhs from Citi Bank for the purpose of enhancing capacities at existing plants, which are repayable in 18 equal quarterly installments with 6 months moratorium.

As at the year end, the group has a total secured term borrowings of ₹3384.08 Lakhs (P.Y ₹2499.10 lakhs) (Citicorp (India) Limited ₹500 lakhs (P.Y ₹833.33 lakhs and Citi Bank ₹2884.08 lakhs (PY ₹1665.77 lakhs)). The same have been classified under non-current (₹2385.15 lakhs) and current liabilities (₹998.93 lakhs).

The following assets of the group are covered under the said securitization:

Citicorp Finance (India) Limited has first exclusive charge by way of equitable mortgage on the factory land and buildings situated at Plot no.94, KIADB-Adakanhallu Industrial Area, Chikkaiahnachatra Hobli, Nanjangud Taluk, Mysore district, Karnataka belonging to the Company.

Citicorp Finance (India) Limited has first exclusive charge on plant equipment and other properties at Mysore Unit.

Citi Bank has first exclusive charge by way of equitable mortgage on the factory land & buildings situated at Plot no.2A, in Survey no. 251P, 255P, 256P, 261P, IC-PUDI village, Rambilli Mandal, Visakhapatnam district, belonging to the Company.

Citi Bank has first exclusive charge on Plant & equipment and other properties at Pudi (Visakhapatnam) Unit.

Citi Bank has first exclusive charge on Plant & equipment and other properties of Daman plant located at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.

Citi Bank has first exclusive charge on Plant & equipment and other properties of Satara plant located at Survey no.82/2A, Gat no.656, Mhavashi Village,

Citi Bank has first exclusive charge on Plant & equipment and other properties of Hyderabad unit located at Annaram Village, near air force academy, Medek District, Telangana State.

Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.82/2A, Gat no.656, Mhavashi Village, Dhawad wadi, Khandala Taluq, Pune, Satara District.

Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.

Personal guarantees of J. Lakshmana Rao, A. Subramanyam and P. Venkateswara Rao directors of the Company.

Repayment schedule:

Bank/Financial institution	Rate of interest	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Citicorp Finance (India) Limited	8.73%	333.33	166.67	-	-	-
Citi Bank N.A	9.00%	222.22	222.22	222.22	222.22	-
Citi Bank N.A	8.85%	443.38	443.38	443.38	443.38	221.69
Total		**998.93**	**832.26**	**665.60**	**665.60**	**221.69**

ii. Vehicle loans from banks & financial institutions

The group has availed vehicle loans from various banks and financial institutions with a tenor of 36 to 60 monthly installments. The said loans are secured by hypothecation of vehicles. As at the year end, the group has total amount outstanding of ₹160.23 lakhs (P.Y ₹178.22 lakhs) which is classified under non-current liabilities (₹83.46 lakhs) and current liabilities (₹76.77 lakhs).

Repayment schedule:

Bank	Rate of interest	FY 2020-21	FY 2021-22	FY 2022-23
ICICI Bank Ltd	9.35%	4.14	1.94	-
ICICI Bank Ltd	8.75%	0.42	-	-
ICICI Bank Ltd	8.45%	0.99	-	-
ICICI Bank Ltd	8.55%	6.74	1.70	-
ICICI Bank Ltd	9.71%	2.45	2.70	0.48
ICICI Bank Ltd	9.00%	4.43	4.85	3.04
Kotak Mahindra Prime Ltd	8.74%	17.33	9.25	-
HDFC Bank Ltd	9.01%	17.79	16.10	-
Yes Bank Ltd	9.00%	15.24	-	-
Yes Bank Ltd	8.65%	1.06	0.57	-
Daimler Financial Services India Pvt Ltd	8.41%	6.18	6.72	36.11
Total		**76.77**	**43.83**	**39.63**

MOLD-TEK PACKAGING LIMITED
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b) Unsecured loans

The State government has extended the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax payment attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years. The Company has availed this scheme for production facility of its 2nd expansion at Annaram unit for ₹751.37 lakhs and production facility at Dommarapochampally unit for ₹421.91 lakhs. The Company has been repaying installments of the deferred sales tax in accordance with the scheme. The total sales tax deferral amounts as on 31st March 2020 stands at ₹96.69 lakhs (31st March 2019 ₹187.61 lakhs).

Sales tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant and the difference between the fair value and nominal value as on date is recognized as an expenses. Accordingly, an amount of ₹2.01 lakhs (March 31, 2019: ₹0.84 lakhs) has been recognized as an expense. Every year charge in fair value is accounted for as an interest expense.

Repayment schedule:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Sales tax deferment loan			
Value added tax	8.78	32.23	24.59
Central sales tax	21.11	6.85	7.34
TOTAL	**29.89**	**39.08**	**31.93**

14. Provisions (non-current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
For employee benefits		
- Leave encashment	48.52	106.74
- Gratuity	213.22	96.54
TOTAL	**261.74**	**203.28**

15. Deferred tax liabilities (net)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Deferred tax assets		
On account of employee benefits	89.72	105.60
b) Deferred tax liabilities	-	-
On account of depreciation and amortisation	1251.09	1411.65
Deferred tax liabilities (net)	**1161.37**	**1306.05**

Movement in deferred tax liabilities (net)

Particulars	WDV of depreciable PPE/Investment properties/intangible assets	Employee benefits payable	Total
As at 1st April, 2019	1411.65	(105.60)	1306.05
(Charged)/ Credited			
to Statement of profit and loss	(160.56)	31.59	(128.97)
to Other comprehensive income	-	(15.71)	(15.71)
As at 31 March, 2020	**1251.09**	**(89.72)**	**1161.37**

16. Other non-current liabilities

Particulars	As at 31 March, 2020	As at 31 March 2018
Deferred income - Sales tax deferment loan	8.53	17.16
TOTAL	**8.53**	**17.16**

17.1. Borrowings (Current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured loans		
Loans repayable on demand		
Working capital loans from banks	8146.00	8397.84
TOTAL	**8146.00**	**8397.84**

MOLD-TEK PACKAGING LIMITED
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All amounts in ₹ lakhs , unless otherwise stated

a) The group has availed its fund based working capital requirements from multiple banks viz., ICICI Bank Ltd, Citi Bank N.A, Yes Bank Ltd and HSBC Ltd. Cash credit limits utilised as at the year end from the respective banks are as per the above table, while the total working capital limits sanctioned by the participating banks are in the table given below:

Bank	Nature of Borrowing	Limits as at 31 March		Balances as on 31 March	
		2020	2019	2020	2019
ICICI Bank Ltd	CC*	1500.00	1500.00	1373.70	1142.92
Yes Bank Ltd	CC	-	1000.00	-	793.18
HSBC Ltd	CC	4000.00	3000.00	3787.51	2690.30
HSBC Ltd	Credit card	10.00	10.00	5.12	2.40
CITI Bank N.A	CC	3000.00	3000.00	2979.67	2776.00
CITI Bank Dubai	CC	-	1000.00	-	993.04
TOTAL		**8510.00**	**9510.00**	**8146.00**	**8397.84**

*CC-Cash Credit ** BG-Bank Guarantee

Working capital facilities from the banks are secured by hypothecation by way of first charge on the following assets of the group:

i) First Pari passu charge to the above four banks by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, Consumable Stores & Spares and such other movables including Book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.

ii) First Pari passu charge to the above banks by way of hypothecation of the borrower's movable properties of the Company (Except those specifically charged to term loan lenders).

iii) First Pari passu charge to the above banks by way of Equitable Mortgage on the following Immovable Fixed Assets of the group:-

I. First Charge by way of equitable mortgage of land measuring 6.5125 acres &building in Sy.No 54,55/A,70, 71&72 of Annaram Village Near Air Force Academy, Jinnaram Mandal, Medak District, Telangana belonging to the group.

II. First Charge by way of Equitable Mortgage of Land Measuring 6413 Sq. Yards and building in Sy.No. 164 part, Dammarapochampally Village, Qutubullapur, R R District, Telangana belonging to the group.

III. First charge by way of equitable mortgage of land measuring 1066.63 Sq. Yards & Buildings in Plot No. D-177 phase III, IDA, Jeedimetla, Qutballapur Mandal, R.R. District. Telangana belonging to the group.

IV. First charge by way of equitable mortgage of ground floor, Cellar area of building bearing Municipal No. 8-2-293/82/A/700&700/1 on Plot No. 700 forming part of S.Y. No. 120(New) of Shaikpet Village and S.Y. No 102/1 of Hakim pet Village admeasuring 3653 SFT of the office space presently occupied by the vendee 50% or 930 SFT of reception area of 1860 SFT all in relevance to the ground Floor 400 Sq.Yards out of 1955 Sq.Yds situated within the approved layout of the Jubilee Hills Co-operative House Building Ltd at Road No. 36 Jubilee hills, belonging to the group.

V. First charge by way of equitable mortgage of land & buildings in Shed No. D-17 & D-18, phase III, IDA, Jeedimetla, Qutballapur Mandal, Medchal District. Telangana belonging to the Company.

VI. Personal guarantees of J. Lakshmana Rao, A. Subramanyam, P.Venkateswara Rao and J. Mythreyi, directors of the group.

17.2. Trade payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Dues to micro enterprises and small enterprises (Refer Note below)	10.57	27.18
Dues to creditors other than micro enterprises and small enterprises	1794.38	1793.29
TOTAL	**1804.95**	**1820.47**

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) Principal amount remaining unpaid as at the end of the accounting year	10.57	27.18
(ii) Interest due thereon remaining unpaid as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

17.3. Other financial liabilities (current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long term debts (Refer note 13)	1105.60	935.60
Interest accrued but not due	39.84	34.23
Unpaid dividend	77.81	76.70
Employee benefits payable	285.68	289.29
Outstanding expenses payable	308.44	274.52
Expenses payable to related parties	32.16	20.41
Capital creditors		
Dues to others	356.93	655.62
Security deposits	29.72	24.55
CSR expenses payable	5.57	6.15
Others	1.47	1.20
TOTAL	**2243.22**	**2318.27**

18. Other current liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances from customers	159.06	85.76
Deferred revenue grant - sales tax deferment loan	8.63	17.49
Statutory dues payable	222.83	147.17
TOTAL	**390.52**	**250.42**

19. Provisions (Current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
For employee benefits		
- Leave encashment	20.56	67.78
- Gratuity	29.69	88.69
TOTAL	**50.25**	**156.47**

20. Net debt reconciliation

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance of borrowings	11262.77	9905.09
Add:- Proceeds from non-current borrowings	2080.93	2123.00
Less:- Repayment of non-current borrowings	(1306.87)	(583.66)
Proceeds/ (Repayment) from current borrowings	(251.84)	(237.76)
Fair value adjustments	2.01	56.10
Closing balance of borrowings	**11787.00**	**11262.77**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

21. Employee benefits

All amounts in ₹ lakhs, unless otherwise stated

(i) Leave obligations

The leave obligation covers the Group's liability for earned leave which is unfunded.

(ii) Defined contribution plan

The Group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

Particulars	31 March, 2020	31 March, 2019
Group's contribution to provident fund	103.88	87.31

(iii) Post- employment obligations

a) Gratuity

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Group operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Change in defined benefit obligations:		
Obligation at the beginning of the year	398.18	299.30
Current service cost	49.34	35.31
Interest cost	30.93	23.33
Remeasurement (gains)/losses	59.69	45.20
Past service cost	-	-
Benefits paid	(54.23)	(4.96)
Obligation at the end of the year	**483.91**	**398.18**
Change in plan assets:		
Fair value of plan assets at the beginning of the year	212.95	202.76
Investment income	16.54	15.80
Employer's contributions	24.50	-
Benefits paid	(10.27)	(4.96)
Return on plan assets , excluding amount recognised in net interest expense	(2.72)	(0.65)
Fair value of plan assets at the end of the year	**241.00**	**212.95**
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	49.34	35.31
Past service cost	-	-
Net interest expenses	14.39	7.52
	63.73	**42.83**
Other comprehensive income:		
Actuarial (gains)/losses	59.69	45.20
Return on plan assets, excluding amount recognised in net interest expense	2.73	0.66
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	62.42	**45.86**
Expenses recognised in the statement of profit and loss	**126.15**	**88.69**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

21. Employee benefits

All amounts in ₹ lakhs, unless otherwise stated

Amounts recognised in the Balance sheet consists of:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Fair value of plan assets at the end of the year	241.00	212.95
Present value of obligation at the end of the year	483.91	398.18
Recognised as		
Retirement benefit liability - Non-current	213.22	96.54
-current	29.69	88.69

Fair value of plan assets -- 100% with LIC of India

Expected contribution to post- employment benefit plan of gratuity for the year ending 31 March 2021 are ₹ 10.00 Lakhs.

iv) Significant estimates and sensitivity analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019
Discount rate	6.85%	7.75%	1%	424.82	349.14	1%	555.64	457.79
Salary growth rate	7.00%	8.00%	1%	550.43	452.61	1%	427.06	351.60
Attrition rate	1%/2%/3%	1%/2%/3%	0.5%/1%/1.5%	482.74	397.09	0.5%/1%/1.5%	485.17	393.39

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

22. Revenue from operations

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from contract with customers		
Sale of products	43692.89	40422.44
Other operating revenue		
Export incentives	-	8.52
Sales tax incentives	80.94	109.08
Sale of scrap	46.39	31.84
TOTAL	**43820.22**	**40571.88**

23. Other income

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Rental income from Investment property	2.06	2.06
Dividend income	61.40	14.82
Amortisation of Deferred government grant	17.49	25.93
Interest income	34.98	25.20
Foreign exchange fluctuation gain (net)	-	44.78
TOTAL	**115.93**	**112.79**

24. Cost of materials consumed

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Raw Materials	20390.73	20131.64
Pigments	751.29	677.56
Handles	917.64	902.62
Printing Materials	2653.88	1891.32
Packing Materials	704.36	795.74
Other Consumables	253.90	222.62
TOTAL	**25671.80**	**24621.50**

MOLD-TEK PACKAGING LIMITED

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25. Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Opening inventories		
Finished goods	872.90	826.06
Work-in-progress	807.11	725.38
(A)	**1680.01**	**1551.44**
Closing inventories		
Finished goods	717.58	872.90
Work-in-progress	881.84	807.11
(B)	**1599.42**	**1680.01**
TOTAL (A-B)	**80.59**	**(128.57)**

26. Employee benefits expense

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Salaries, wages and bonus	4559.08	3932.35
Contribution to provident and other funds	116.71	105.31
Gratuity	71.32	20.74
Leave encashment	6.75	82.91
Staff welfare expenses	198.49	185.87
Share-based payments to employees	47.48	-
TOTAL	**4999.83**	**4327.18**

27. Finance costs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest on borrowings	1038.98	714.65
Other borrowing costs	0.83	42.24
TOTAL	**1039.81**	**756.89**

28. Depreciation and amortization expense

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Depreciation on property, plant and equipment	1941.87	1633.24
Depreciation on investment property	0.13	0.13
Amortisation of intangible assets	11.57	11.51
Amortisation of right-of-use assets	3.53	7.13
Less: Capitalized	35.50	41.51
TOTAL	**1921.60**	**1610.50**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

29. Other expenses

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Power and fuel	1600.77	1388.01
Repairs and maintenance		
Buildings	73.88	19.94
Plant and equipment	310.89	247.29
Moulds	180.16	99.45
Others	160.73	143.20
Insurance	50.21	37.75
Rates & taxes	64.27	52.58
Rent	189.55	245.21
Jobwork charges	223.49	231.13
Travelling & conveyance	225.92	171.71
Communication expenses	51.16	60.00
Printing & stationery	28.99	29.21
Professional & consultancy charges	101.25	64.37
Freight outwards	1741.37	1652.04
Advertisement expenses	2.45	1.93
Tax paid - Commercial taxes	76.90	73.42
Sales promotion expenses	76.15	42.85
Payments to auditors (Refer note 29(a) below)	11.40	11.45
Net loss on disposal of property, plant and equipment	12.52	1.89
Property, plant, equipment written off	29.33	-
Directors' sitting fee	4.00	3.80
Provision for doubtful debts	30.35	34.57
Foreign exchange fluctuation loss (net)	5.69	-
Corporate social responsibility expenditure (Refer note 29 (b) below)	75.88	33.93
MEIS claim receivable write-off	-	15.97
Bank charges	5.36	6.85
Miscellaneous expenses	56.83	50.83
TOTAL	**5389.50**	**4719.38**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs , unless otherwise stated

29(a). Payment to Auditors:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Statutory auditors		
-Statutory audit fee	8.50	7.50
-For other services (including fees for quarterly reviews)	2.50	2.00
-Certification charges	0.40	0.81
TOTAL	**11.40**	**10.31**

29(b). Corporate social responsibility expenditure:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Amount required to be spent as per Section 135 of the Act	93.95	84.33
Amount spent during the year on :		
1. Construction/ acquisition of any assets	27.29	18.43
2. On purposes other than (1) above	48.59	15.50

30. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before income tax expense	5194.35	5146.42
Tax at the Indian tax rate of 25.63% (2018-19: 34.944%)	1307.31	1798.36
Effect of non-deductible expense	579.37	592.63
Effect of allowances for tax purpose	(669.95)	(1034.97)
Effect of deferred tax	(128.97)	282.84
Tax expense	**1087.76**	**1638.86**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

31. Contingent liabilities

Particulars	31 March, 2020	31 March, 2019
Income tax *	105.83	43.45
VAT/CST	9.09	5.09
Total	114.92	52.54

*Includes ₹ 41.58 lakhs (2019-5.16 lakhs) paid under protest.

Export Obligations

The Group has fulfilled the entire export obligation to the tune of $18.17Lakhs (₹ 933.99 Lakhs) as on 31 March, 2020 the particulars of which are as below:

Of the total obligation $9.02 Lakhs (₹406.96 Lakhs) was against the licenses utilized against import of machinery by erstwhile Mold-Tek Technologies Limited. The Group has fulfilled the export obligations against these licenses by March 31, 2011. The details have been submitted to customs department for redemption of licenses. Including the licenses amounting to $6.36 Lakhs have been redeemed up to March 31, 2020, and redemption licenses for the balance $2.66 Lakhs is awaited.

Further, Licenses granted under EPCG Scheme for import of machinery for which guarantee bonds valuing ₹96.00 Lakhs were issued to customs department. The Group has fulfilled the export obligation of $9.15 Lakhs (₹527.03 Lakhs) against these licenses utilized for imports.

32. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March, 2020	31 March, 2019
Property, plant and equipment	574.00	1400.00
Total	574.00	1400.00

33. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Management Personnel (KMP):	
J. Lakshmana Rao	Chairman & Managing Director
A. Subramanyam	Deputy Managing Director
P. Venkateswara Rao	Deputy Managing Director
M. Srinivas	Whole-time Director
A. Seshu Kumari	Chief Financial Officer
Thakur Vishal Singh	Group Company Secretary
ii) Non-whole-time Directors	
J. Mytraeyi	Director
Kotagiri Venkata Appa Rao	Director
T.Venkateswara Rao	Director
Immaneni Eswara Rao	Director
Dhanraj Tirumala	Director
Dr.N.V.N. Varma	Director
Valu Prakash Chitturi	Director
iii) Relatives of key management personnel:	
J. Navya Mythri	Assistant Finance Controller
J. Rana Pratap	Vice President of New Business Development
S. Kavya	Chief Manager of New Business Development
A. Durga Sundeep	Vice President of New Business Development (from 1 October, 2019)
J.Sudha Rani	Spouse of Chairman & Managing Director
F.S.N.Vamsi Prasad	Son-in-law of Chairman & Managing Director
J.Sathya Sravya	Daughter of Chairman & Managing Director
J.Bhujanga Rao	Brother of Chairman & Managing Director
N. Padmavathi	Sister of Chairman & Managing Director
A.Lakshmi Mythri	Daughter of A. Subramanyam
Jandhyala V.S.N. Krishna	Son-in-law of A. Subramanyam
Y.Manasa	Daughter-in-law of A. Subramanyam
P.Sai Lakshmi	Spouse of P. Venkateswara Rao
P.Appa Rao	Brother of P. Venkateswara Rao
M.Hyma	Spouse of M. Srinivas
M.Koteshwara Rao	Brother of M. Srinivas
K.Srinivasa Vengala Rao	Son of Kotagiri Venkata Appa Rao
T.Vimala	Spouse of T.Venkateswara Rao
iv) Enterprises in which key management personnel and/or their relatives have control:	
Mold-Tek Technologies Limited	
Friends Packaging Industries	
Capricorn Industries	
Dynamic Metal Industries Pvt Ltd	
J.S. Sundaram & Co	

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Details of transactions during the year where related party relationship existed:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Enterprises in which key managerial personnel and/or their relatives have control		Relatives of key management personnel		Key Management Personnel	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Cost of materials consumed						
Friends Packaging Industries	278.05	238.74				
Capricon Industries	317.21	327.43				
Dynamic Metal Industries Pvt Ltd	146.37	-				
Professional & consultancy charges						
J.S. Sundaram & Co	42.01	23.00				
Employee benefits expense						
J. Lakshmana Rao					142.70	152.31
A. Subramanyam					194.88	193.70
P. Venkateswara Rao					137.28	143.79
M. Srinivas					86.14	67.80
A. Sesha Kumari					41.65	34.80
Thakur Vishal Singh					6.44	5.43
J. Navya Mythri			19.89	19.24		
J. Rana Pratap			46.10	19.86		
S. Kavya			24.58	34.20		
A. Durga Sundeep			18.94	-		
Dividend						
J. Lakshmana Rao					229.99	102.22
A. Subramanyam					182.62	81.16
P. Venkateswara Rao					21.14	9.40
A. Sesha Kumari					44.46	21.74
M. Srinivas					39.33	17.48
J. Navya Mythri			12.44	5.53		
J. Rana Pratap			13.13	5.84		
S. Kavya			9.00	2.00		
J.Mytraeyi					7.80	3.47
A. Durga Sundeep			21.40	9.46		
Kotagiri Venkata Appa Rao					0.02	0.03
T.Venkateswara Rao					1.80	0.80
Immaneni Eswara Rao					0.77	-
J.Sudha Rani			132.30	62.38		
P.S.N.Vamsi Prasad			1.80	0.80		
J.Sathya Sravya			12.87	5.70		
J.Bhujanga Rao			16.55	7.35		
N. Padmavathi			35.72	18.65		
A.Lakshmi Mythri			21.60	9.60		
Jandhyala V.S.N. Krishna			3.91	1.61		
Y.Manasa			8.10	3.60		
P.Sai Lakshmi			14.49	6.95		
P.Appa Rao			0.03	0.01		
M.Hyma			2.49	1.11		
M.Koteshwara Rao			2.72	1.21		
K.Srinivasa Vengala Rao			1.67	0.75		
T.Vimala			4.57	2.74		
Sitting Fee						
J. Mytraeyi					0.60	0.60
Kotagiri Venkata Appa Rao					0.80	0.20
T.Venkateswara Rao					1.40	1.20
Immaneni Eswara Rao					1.40	1.00
Dhanraj Tirumala					0.20	-
Dr.N.V.N. Varma					-	0.60
Vasu Prakash Chitturi					(0.20)	0.20
Rental income from investment property						
Friends Packaging Industries	2.06	2.06				
Personal Guarantee given to Bank						
J. Lakshmana Rao					5609.00	5609.00
A. Subramanyam					4746.00	4746.00
P. Venkateswara Rao					655.70	655.70
Other Transactions						
Mold-Tek Technologies Limited	19.15	7.64				
Outstanding Payable/(Receivable) as at 31 March 2020						
Trade payables						
Friends Packaging Industries	41.34	31.03				
Capricon Industries	5.38	23.90				
Dynamic Metal Industries Pvt Ltd	9.65	-				
J.S. Sundaram & Co	6.31	1.63				
Other financial liabilities (current)						
Mold-Tek Technologies Limited	32.16	20.41				

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

34. Earnings per share (EPS)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit after tax	3743.75	3191.81
Weighted average number of equity shares in calculating Basic EPS	277.07	276.91
Weighted average number of equity shares in calculating Diluted EPS	277.07	276.91
Face value per share (₹)	5.00	5.00
Basic Earnings per Share (BEPS) (₹)	13.51	11.53
Diluted Earnings per Share (DEPS) (₹)	13.51	11.53

35. Segment Information

a) The Group's Chairman&Managing Director, Deputy Managing Directors and Chief Financial officer examine the group's performance from a product prospective and have identified one operating segment viz Packaging Containers. Hence segment reporting is not given.

b) Information about products:

Revenue from external customers - Sale of Packaging Containers ₹43691.89 Lakhs (PY ₹40422.44 Lakhs)

The Group has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue

Customer 1 - ₹18160.01 Lakhs
Customer 2 - ₹4150.89 Lakhs
Customer 3 - ₹3519.46 Lakhs

36. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY:

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	₹ lakhs	As % of consolidated Profit or Loss	₹ lakhs	As % of consolidated Other Comprehensive Income	₹ lakhs	As % of consolidated Total Comprehensive Income	₹ lakhs
Parent								
Mold-Tek Packaging Limited	99.82	19710.76	102.01	3818.98	101.17	(284.89)	102.08	3534.09
Subsidiary								
Foreign								
Mold-Tek Packaging FZE	0.18	34.60	(2.01)	(75.23)	(1.17)	3.29	(2.08)	(71.94)

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

37. Financial instruments and risk management

Fair values

a) The fair value of financial assets and liabilities is included 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.

b) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

Set out below, is a comparision by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March, 2020		31 March, 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets measured at fair value through other comprehensive income					
Investments	1	733.60	733.60	971.78	971.78
Financial assets measured at amortised cost					
Other financial assets	3	23.45	23.45	22.09	22.09
Current					
Trade receivables	3	5890.59	5890.59	7036.99	7036.99
Cash and cash equivalents	3	36.72	36.72	17.82	17.82
Other bank balances	3	77.81	77.81	76.70	76.70
Loans	3	21.61	21.61	33.64	33.64
Other financial assets	3	307.41	307.41	251.98	251.98
Total		**6357.59**	**6357.59**	**7439.22**	**7439.22**
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3				
- Banks		2468.60	2468.60	1834.65	1834.65
- Sales tax deferment loan		96.69	79.53	187.61	152.96
Current					
Borrowings	3	8146.00	8146.00	8397.84	8397.84
Trade payables	3	1804.95	1804.95	1820.47	1820.47
Other financial liabilities	3	2243.22	2243.22	2318.27	2318.27
Total		**14759.46**	**14742.30**	**14558.84**	**14524.19**

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.
There has been no change in the valuation methodology for Level 3 inputs during the year. The group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the group has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

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38. Financial risk management

The group is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar, AED against the functional currencies of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and AED exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Foreign currency exposure				
Particulars	As at 31 March, 2020		As at 31 March, 2019	
	AED	USD	AED	USD
Loans and advances	2,444,849	-	2,189,957	-
Trade receivables	745,416	(7,443)	800,461	33,979
Trade payables	-	295,882	3,286,479	420,316
Net exposure to foreign currency risk	**3,190,265**	**(303,325)**	**(296,621)**	**(386,337)**

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Change in AED				
1% increase	6.55	0.56	4.90	0.36
1% decrease	(6.55)	(0.56)	(4.90)	(0.36)
Change in USD				
1% increase	(2.29)	(2.68)	(1.71)	(1.74)
1% decrease	2.29	2.68	1.71	1.74

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and AED, where the functional currency of the entity is a currency other than US dollars and AED.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Change in interest rate				
increase by 100 basis points	(109.62)	(93.73)	(82.03)	(60.98)
decrease by 100 basis points	109.62	93.73	82.03	60.98

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Financial assets of the group include trade receivables, loans to wholly owned subsidiary, employee advances, security deposits held with government authorities and bank deposits which represents group's maximum exposure to the credit risk.

With respect to credit exposure from customers, the group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to its wholly owned subsidiary and employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

a) Expected credit loss for trade receivable under simplified approach:

Particulars	31 March, 2020	31 March, 2019
Gross carrying amount	5971.25	7112.74
Expected credit losses (Loss allowance provision)	(80.66)	(75.75)
Carrying amount of trade receivables	**5890.59**	**7036.99**

b) Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loan to Wholly owned subsidiary group and employee advances.

Particulars	31 March, 2020	31 March, 2019
Asset group	**Estimated gross carrying amount at default**	**Estimated gross carrying amount at default**
Gross carrying amount		
Loans	-	-
Employee advances	21.61	33.64
	21.61	**33.64**
Expected credit losses	-	-
Net carrying amount		
Loans	-	-
Employee advances	21.61	33.64
Total	**21.61**	**33.64**

(ii) Reconciliation of loss allowance provision

Particulars	2019-20	2018-19
loss allowance at the beginning of the year	**(75.75)**	**41.03**
Changes in loss allowance during the year	(4.91)	(116.78)
Loss allowance at the end of the year	**(80.66)**	**(75.75)**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. group's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements:

The group had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March, 2020	31 March, 2019
Expiring within one year (bank overdraft and other facilities)	359.12	1104.56

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	31 March, 2020		31 March, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	8146.00	2518.24	8397.84	1894.68
Trade payables	1804.95	-	1820.47	-
Other financial liabilities	2243.22	-	2318.27	-
Total	**12194.17**	**2518.24**	**12536.58**	**1894.68**

(iii) Management expects finance cost to be incurred for the year ending 31 March 2021 is ₹1071.35 Lakhs.

39. Capital management

A. Capital management and Gearing Ratio

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by total capital. The group includes within debt, interest bearing loans and borrowings.

Particulars	31 March, 2020	31 March, 2019
Borrowings		
Current	8146.00	8397.84
Non current	2518.24	1894.68
Current maturities of non- current borrowings	1105.60	935.60
Sales tax deferment loan	17.16	34.65
Debt	**11787.00**	**11262.77**
Equity		
Equity share capital	1386.30	1384.55
Other equity	18359.06	17781.98
Total capital	**19745.36**	**19166.53**
Gearing ratio in % (Debt/ capital)	**59.70%**	**58.76%**

MOLD-TEK PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019.

6. Dividends

Particulars	31 March, 2020	31 March, 2019
Dividends recognised		
Final dividend for the year ended 31 March 2019 of ₹ 2 (31 March 2018 - ₹2)per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March 2019 of ₹ 2 (31 March 2018 - ₹2) per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March 2020 of ₹ 5 per fully paid share	1386.50	-
Dividend distribution tax on the above	512.64	227.68
Dividends not recognised	-	-
Interim dividend for the year ended 31 March 2019 of ₹2 per fully paid share. This dividend is declared on 2nd May, 2019.	-	553.82
For the year ended the directors have recommended the payment of final dividend of ₹ Nil (P.Y ₹ 2) per fully paid up equity share . This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	-	553.82
Dividend distribution tax on the above	-	227.68

40. Impact assessment of the global health pandemic – COVID 19 and related estimation uncertainty:

During the last few months, the spread of Covid 19 has affected the business which culminated into scaling down of the Company's operations. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, closing of 6 out of 9 manufacturing facilities in April 2020, and adopting work from home policy wherever possible for employees across the locations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The negative impact on sales is expected to continue in FY 2020-21. The Company is trying to reduce the fixed overheads to the best possible extent to sail through the difficult times to ahead.

Although it is difficult to estimate the impact of COVID-19 on future operations at this point of time, the Company believes the sales for discretionary products like paints would significantly be impacted in short term. In view of lock down, the performance of the Company may be adversely affected in 1st Quarter in FY 2020-21 by around 40%.

The Company's net cash position as on 31 March, 2020 is sufficient to meet the requirements in case of any emergency and do not foresee any liquidity crunch. The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations would lead to material financial claim against the Company. The Company endeavours to ensure that all contractual commitments shall be honoured.

41. Previous year figures have been recasted/restated wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our report of even date
For **M.Anandam & Co.,**
Chartered Accountants
Firm Registration Number: 000125S

B V Suresh Kumar
Partner
Membership No. 212187

Place: Hyderabad
Date: 6th June, 2020

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

For and on behalf of Board

J. Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

A. Subramanyam
Deputy Managing Director
DIN: 00654046

A. Seshu Kumar
Chief Financial Officer

Thakur Vishal Singh
Company Secretary
M.No.A41956

M.ANANDAM & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
Mold-Tek Packaging Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Mold-Tek Packaging Limited (the "Company") for the quarter ended 30th June, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

VENKATA
SURESHKUMAR
BEESA

B.V.Suresh Kumar
Partner
Membership Number: 212187

UDIN: 20212187AAAACI4754

Place: Secunderabad
Date: 1st August, 2020

7 'A', SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD – 500003.
PHONE: 2781 2377, 2781 2034, FAX:2781 2091

M.ANANDAM & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
Mold-Tek Packaging Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Mold-Tek Packaging Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter ended 30th June, 2020 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, 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 of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. 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 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the subsidiary Mold-Tek Packaging FZE, UAE

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the financial results of the subsidiary referred to in paragraph 6 below, 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of

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PHONE: 2781 2377, 2781 2034, FAX:2781 2091

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of Rs. Nil, total net loss after tax of Rs.5.41 Lakhs and total comprehensive loss of Rs.5.41 Lakhs for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results. These interim financial results have been furnished to us by the Holding Company's Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such financial information. According to the information and explanations given to us by the Board of Directors, the financial results of the subsidiary are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)
VENKATA
SURESHKUMAR
BEESA
B.V.Suresh Kumar
Partner
Membership Number: 212187

UDIN: 20212187AAAACJ8490

Place: Secunderabad
Date: 1st August, 2020

MOLD-TEK PACKAGING LIMITED

Registered Office: Plot No.700, 8-2-293/82/A/700
Road No.36, Jubilee Hills, Hyderabad - 500033,Telangana.
CIN : L21022TG1997PLC026542

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

₹ In lakhs except for EPS

Sl No	Particulars	Quarter Ended			Year Ended
		30-Jun-2020	31-Mar-2020	30-Jun-2019	31-Mar-2020
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	a) Revenue from operations	6529.78	10649.89	11588.69	43743.73
	b) Other income	13.93	37.98	90.68	115.93
	Total Income	**6543.71**	**10687.87**	**11679.37**	**43859.66**
2	**Expenses**				
	a) Cost of materials consumed	3735.97	5939.86	7258.72	25679.52
	b) Changes in inventories of finished goods and work-in progress	111.90	326.08	(231.19)	7.52
	c) Employee benefits expense	939.93	1173.22	1231.37	4941.65
	d) Finance costs	222.90	259.89	239.27	1018.83
	e) Depreciation and amortization expense	486.29	486.28	452.47	1907.12
	f) Other expenses	832.04	1305.44	1294.87	5110.67
	Total Expenses	**6329.03**	**9490.77**	**10245.51**	**38665.31**
3	**Profit before Exceptional items and tax (1-2)**	**214.68**	**1197.10**	**1433.86**	**5194.35**
4	Exceptional items	-	155.60	-	286.10
5	**Profit before tax (3-4)**	**214.68**	**1041.50**	**1433.86**	**4908.25**
6	**Tax expense**				
	a) Current tax	49.80	288.58	328.95	1216.74
	b) Earlier year tax	-	-	20.94	1.50
	c) Deferred tax	8.14	(45.80)	(2.19)	(128.97)
7	**Profit for the period (5-6)**	**156.74**	**798.72**	**1086.16**	**3818.98**
8	**Other Comprehensive Income (net of tax)**				
	a) Items that will not be reclassified to Profit or Loss				
	i) Remeasurement of defined benefit plans	(11.60)	(38.85)	(2.48)	(46.71)
	ii) Fair value changes in Equity instruments	35.99	(298.52)	171.49	(238.18)
9	**Total Comprehensive Income for the period (7+8)**	**181.13**	**461.35**	**1255.17**	**3534.09**
10	Paid up Equity share capital	1386.30	1386.30	1384.55	1386.30
11	Other Equity				18324.46
12	**Earnings per equity share (Face value of ₹5) (not Annualised)**				
	- Basic	**0.57**	**2.88**	**3.92**	**13.78**
	- Diluted	**0.57**	**2.88**	**3.92**	**13.78**

Notes:

1. The above results for the quarter ended 30 June 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 1 August 2020.
2. The Company has only one reportable segment as per the requirements of Ind AS 108 "Operating Segments".
3. This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Standalone Financial Results including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of Standalone Financial Results.
5. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.
6. Comparative figures have been regrouped/reclassified to conform to the current period's/year's presentation.

for MOLD-TEK PACKAGING LIMITED

J.Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

Hyderabad
1 August, 2020

MOLD-TEK PACKAGING LIMITED

Registered Office: Plot No.700, 8-2-293/82/A/700
Road No.36, Jubilee Hills, Hyderabad - 500033, Telangana.
CIN : L21022TG1997PLC026542

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

₹ in lakhs except for EPS

Sl No	Particulars	Quarter Ended			Year Ended
		30-Jun-2020	31-Mar-2020	30-Jun-2019	31-Mar-2020
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	a) Revenue from operations	6529.78	10649.89	11661.33	43820.23
	b) Other income	13.93	37.98	90.66	115.92
	Total Income	**6543.71**	**10687.87**	**11751.99**	**43936.15**
2	**Expenses**				
	a) Cost of materials consumed	3735.97	5939.86	7268.05	25671.80
	b) Changes in inventories of finished goods and work-in-progress	111.90	326.08	(159.66)	80.60
	c) Employee benefits expense	939.93	1176.40	1263.35	4999.83
	d) Finance costs	222.90	259.89	253.18	1039.81
	e) Depreciation and amortization expense	486.74	486.61	464.51	1921.59
	f) Other expenses	837.00	1381.91	1377.81	5389.50
	Total expenses	**6334.44**	**9570.75**	**10467.24**	**39103.13**
3	**Profit before exceptional items and tax (1-2)**	**209.27**	**1117.12**	**1284.75**	**4833.02**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3-4)**	**209.27**	**1117.12**	**1284.75**	**4833.02**
6	**Tax expense**				
	a) Current tax	49.80	288.58	328.65	1216.74
	b) Earlier year tax	-	-	20.94	1.50
	c) Deferred tax	8.14	(45.80)	(2.19)	(128.97)
7	**Profit for the period (5-6)**	**151.33**	**874.34**	**937.05**	**3743.75**
8	**Other Comprehensive Income (net of tax)**				
	a) Items that will not be reclassified to Profit or Loss				
	i) Remeasurement of defined benefit plans	(11.60)	(38.85)	(2.48)	(46.71)
	ii) Fair value changes in Equity instruments	35.99	(298.52)	171.49	(238.18)
	b) Items that will be reclassified to Profit or Loss				
	i) Exchange differences in translating the financial statements of a foreign operation	0.12	4.87	1.58	3.29
9	**Total Comprehensive Income for the period (7+8)**	**175.84**	**541.84**	**1107.64**	**3462.15**
	Profit for the period attributable to:				
	Owners of the parent	**151.33**	**874.34**	**937.05**	**3743.75**
	Non-controlling interests	-	-	-	-
	Total comprehensive income for the period attributable to:				
	Owners of the parent	**175.84**	**541.84**	**1107.64**	**3462.15**
	Non-controlling interests	-	-	-	-
10	Paid up Equity share capital	1386.30	1386.30	1384.55	1386.30
11	Other Equity				18359.06
12	**Earnings per equity share (Face value of ₹5) (not Annualised)**				
	- Basic	**0.55**	**3.15**	**3.38**	**13.51**
	- Diluted	**0.55**	**3.15**	**3.38**	**13.51**

Notes:

1. The above results for the quarter ended 30 June 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 1 August 2020.
2. The above results include results of wholly owned subsidiary, Mold-Tek Packaging FZE, UAE.
3. The Group has only one reportable segment as per the requirements of Ind AS 108 "Operating Segments".
4. The Consolidated financial results are prepared based on Ind AS 110 "Consolidated Financial Statements".
5. This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. The Group has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the group has considered internal and external sources of information up to the date of approval of the Consolidated Financial Results including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the group does not expect any significant impact on such carrying values. The impact of COVID-19 on the group's financial statements may differ from that estimated as at the date of approval of Consolidated Financial Results.
7. The Statutory Auditors of the Parent Company have carried out a Limited Review of the aforesaid results.
8. Comparative figures have been regrouped/reclassified to conform to the current period's/year's presentation.

for MOLD-TEK PACKAGING LIMITED

J.Lakshmana Rao
Chairman & Managing Director
DIN: 00649702

Hyderabad
1 August, 2020

MATERIAL DEVELOPMENTS

To our knowledge, no circumstances have arisen since March 31, 2020 which materially 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.

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of the Financial Statements included in "*Financial Statements*" beginning on page 62:

Accounting Ratios

Particulars	Consolidated
	As at and for the Fiscal March 31, 2020[(1)]
Basic EPS (₹)	13.51
Diluted EPS (₹)	13.51
Return on Net-Worth (%)	19.44%
Net Asset Value per Equity Share (₹)	69.44
EBITDA (₹ in lakhs)	7,794.43

(1) Based on Audited Financial Statements.

The ratios have been computed as below:

Ratios	Computation
Basic EPS (₹)	Net profit attributable to Equity Shareholders / weighted average of common shares outstanding during the period.
Diluted EPS (₹)	Post adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.
Return on Net Worth (%)	Profit attributable to Equity Shareholders/Net Worth.
Net Asset Value per Share (₹)	Net Worth/No. of Equity Shares subscribed and fully paid.
EBITDA (₹)	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We discuss below our historical results of operations and financial condition as of and for the years ended March 31, 2019 and March 31, 2020, for the three-month periods ended June 30, 2020 and our assessment of the factors that may affect our prospects and performance in future periods.

You should read the following discussion in conjunction with audited financial statements for our Company for Fiscal 2019 and Fiscal 2020 and unaudited but reviewed financial statements for the three-month periods ended June 30, 2020, including annexures, schedules, and notes thereto and the report thereon appearing in this Letter of Offer which are prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month period ended March 31 of that year. For purposes of the discussion below, the term "Fiscal 2019" refers to the year ended March 31, 2019; the term "Fiscal 2020" refers to the year ended March 31, 2020. In this section only, any reference to "we," "us" or "our" refers to the Company and its Subsidiary.

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. See "Risk Factors" and "Forward-Looking Statements". Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in this section and in the sections "**Risk Factors**" and "**Forward-Looking Statements**" on pages 18 and 15.*

I. OVERVIEW

We are a packaging solution company mainly engaged in the manufacturing of rigid plastic packaging containers through Injection molding technology for paints, lubes, food and FMCG and other sectors including cosmetics and pharmaceutical. We develop, design and manufacture standard airtight and pilfer – proof pails as well as customized containers to meet our customer's packaging requirements. We have introduced certain packaging products in India for paints, lubricants, food and FMCG industries through continuous innovation.

We have eight manufacturing units which include four manufacturing units located in Telangana and one each in Maharashtra, Daman, Karnataka and Andhra Pradesh. We also operate a tool room to make complex molds and to develop Robots.

Our products mainly cater to three business segments (i) paint; (ii) lubes; and (iii) food and FMCG. For Fiscal 2020, our Company derived a gross revenue of approximately ₹ 22,873 lakhs from paints, ₹ 10,710 lakhs from lubes and ₹ 10,110 lakhs from food and FMCG.

Our total income increased from ₹ 40,684.67 lakhs in Fiscal 2019 to ₹ 43,936.15 lakhs in Fiscal 2020. Our PAT has grown from ₹ 3,191.81 lakhs in Fiscal 2019 to ₹ 3,743.75 lakhs in Fiscal 2020.

II. SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set out below are some of the more significant factors that have affected our results of operations in the past, as well as factors that are currently expected to affect our results of operations in the foreseeable future.

Relationships with key clients

Our Company is dependent on few customers, including multi-national paint and lubricant companies. Our top 10 customers accounted for 74.8% and 73.2% of our gross sales for Fiscal 2019 and Fiscal 2020, respectively. Though we do not have any long-term agreement with our significant customers, we have been the vendor for such customers for over five years. We have not observed any reduction in contribution by top ten customers in absolute terms in Fiscal 2019 and Fiscal 2020. The loss of any significant customer or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial conditions. Further, we normally provide credit period of less than sixty days, however due to the prevalence of COVID-19 disease and the nation-wide lockdown, our credit cycles were extended by a few days without significantly impacting our revenue cycle. We cannot assure you that any such delay in the future in payments by such customers over the usual payment cycles will not adversely affect our financial condition.

Success of our R&D

We believe that our existing infrastructure, manufacturing capabilities, distribution network, client relationships and access to technology and know-how will be effectively complemented by our R&D efforts to enable us to diversify our product offerings and increase operating efficiencies.

As part of our strategy for growth and product portfolio diversification, we have been constantly investing our resources into R&D efforts for innovative products, packaging solutions and their processes. In particular, in-mould labelling ("**IML**") is increasingly being preferred in the packaging industry due to its attractiveness and better durability compare to screen printing and heat transfer technologies. We have set up integrated IML solution with in house label manufacturing and die-cutting machines to enable quick production of IML labels. We believe that our efforts will enable us to expand our product offerings, enable us serve multiple industries and help us to be one of the leading players in rigid packaging solutions.

We believe that the packaging business in India presents opportunities for revenue growth as well as profitability. To compete successfully in the packaging industry, we must be able to identify and respond to changing demands and preferences in packaging industry. Accordingly, we must continue to invest in our R&D. While we believe that our in house tool room and R&D division gives us competitive advantage and helped us in reaching current level, we cannot assure that our new products may always gain buyer acceptance and we will always be able to achieve competitive products to meet customer expectations. Failure to identify and respond to changes in consumer preferences could, among other things, limit our ability to differentiate our products, adversely affect consumer acceptance of our products and could have impact on our financial condition.

Raw Material

The key raw material used for manufacturing our products is polymers which are PPCP, PP, HDPE and LLDPE. Raw material consumed as a percentage of total revenue was 49.6% and 46.5% for Fiscal 2019 and Fiscal 2020, respectively. The average prices for key raw materials decreased from ₹ 94.40 per kg to ₹ 86.57 per kg from Fiscal 2019 to Fiscal 2020, and is currently in the range of ₹ 81.24 for the month of September, 2020. Any fluctuation in the international price of crude oil affects the price of polymers. In Fiscal 2019, we spent ₹ 20,131.64 lakhs for 21,326 tonnes of polymer in comparison to Fiscal 2020, where we spent ₹ 20,390.73 lakhs for 23,553 tonnes of polymer. Further, any fluctuations in the demand and/or supply of polymers may impact its purchase price. We do not have any long-term supply agreement with any of our raw material suppliers. Although we enter into short term contracts with some of our suppliers for rates, we may be unable to enter into such contracts at all times in future.

In terms of our understanding with most of our customers, we have flexibility to pass on raw-material cost fluctuations to them through periodical pricing arrangements. However, any inability to pass on the increased costs of polymers to our customers in future, may affect our profitability.

Performance of the Industries and Sectors in which our Products are used

We are a packaging company providing packaging solutions to various industries. Our rigid packaging solutions are primarily used in paints, lubes, oil, food and FMCG sectors.

For Fiscal 2019, our Company derived 45.7% and 31.5% of revenue from paints and lubricant segment, respectively, while for Fiscal 2020, the corresponding share of revenue was 52.4% and 24.5%, respectively. Our revenue from paint segment has grown from ₹ 18,462 lakhs in Fiscal 2019 to ₹ 22,873 lakhs in Fiscal 2020 showing a growth of 23.9%. Our revenue from oil and lubricant segment has decreased from ₹ 12,727 lakhs in Fiscal 2019 to ₹ 10,710 lakhs in Fiscal 2020 resulting into a reduction of 15.9% which is set-off by the food and FMCG segment which has grown from ₹ 9233 lakhs in Fiscal 2019 to ₹ 10,110 lakhs in Fiscal 2020 by 9.5%. Thus, we are dependent on the paints, oil & lubricant and food & FMCG industries for majority of our revenue. Any slowdown in growth of these industries or demand of our products by paint and oil and lubricant industry may affect our financial condition.

Capacity Utilization and Operating Efficiencies

As on March 31, 2020, our total installed manufacturing capacity across our manufacturing units is 38,732 metric tonnes while our utilized capacity is 25,925 metric tonnes, which is 66.9%. Higher capacity utilization results in greater production volumes and higher sales and allows us to spread our fixed costs over a higher number of units sold, thereby increasing our profit margins.

We focus on improving our operational efficiencies and reducing operating costs in order to improve our results of operations. We also focus on investing in research & development efforts in our in-house tool room to continually upgrade the quality and functionality of our products and manufacturing processes addressing specific customer

requirements and market segments and to improve operational efficiencies. Such investment is also expected to result in significant reduction in operating costs including a decrease in employee costs as our facilities will be significantly more mechanized. We have also made incremental improvements to our equipment and moulds to increase utilisation rates as well as operational efficiencies.

Other factors beyond those identified above may materially affect our results of operations and financial condition. For further details, see the sections entitled "*Risk Factors*" and "*Details of Business*" on pages 18 and 52 in this Letter of Offer.

III. PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

INCOME

Our income consists of (a) revenue from operations, and (b) other income.

Revenue from operations

Our revenue from operations comprise of domestic sales (net of excise duty) and export sales of our products.

Other Income

Our other income generally includes (a) sale of scrap, (b) dividend income from current investments, (c) rent income, (d) income from exchange rate fluctuation and (e) interest income.

EXPENDITURE

Material Consumed

Our expenditure in connection with raw material consumed includes expenses for raw materials such as polymer, PPCP/PP, LDPE/LLDPE, HDPE etc.

Employee benefit expenses

Our personnel expenses comprise expenditure in connection with (i) salaries, wages, allowances and bonus, (ii) contribution to provident fund and ESIC, (iii) welfare expenses, (iv) gratuity and leave encashment, (v) directors' remuneration and perquisites and (vi) employee compensation expenses (ESOS).

Finance Costs

Our finance costs comprise bank charges and interest paid on term loans, working capital facilities and vehicle loans and other finance charges.

Depreciation and Amortization

Depreciation on all assets is provided on straight line method, except for leasehold buildings wherein depreciation is provided on the basis of estimated useful life.

Other Expenses

Our other expenses comprise mainly of administrative and other expenses in connection with power and fuel, work charges, repairs and maintenance, rent, insurance, electricity charges, bank charges, exchange rate fluctuation and other general expenses.

IV. RESULTS OF OPERATIONS

The following table sets forth our statement of profits and losses for Fiscal 2019 and Fiscal 2020.

All amounts in lakhs, unless otherwise stated

Particulars	Fiscal 2020	Fiscal 2019
I. Income		
Revenue from operations	43,820.22	40,571.88
Other income	115.93	112.79
II. Total income	**43,936.15**	**40684.67**
III. Expenses		

	Particulars	Fiscal 2020	Fiscal 2019
	Cost of materials consumed	25,671.80	24,621.50
	Changes in inventories of finished goods and work-in-progress	80.59	(128.57)
	Employee benefits expense	4,999.83	4327.18
	Finance costs	1,039.81	756.89
	Depreciation and amortization expense	1,921.60	1,610.50
	Other expenses	5,389.50	4,719.38
	Total expenses	**39,103.13**	**35,906.88**
IV.	**Profit before tax (II - III)**	**4,833.02**	**4,777.79**
V.	**Tax expense:**		
	(1) Current tax	1,216.74	1,356.02
	(2) Previous years tax expense	1.50	(52.88)
	(3) Deferred tax	(128.97)	282.84
VI.	**Profit for the period (IV-V)**	**3,743.75**	**3,191.81**
VII.	**Other comprehensive income**		
	a) Items that will not be reclassified to Profit or Loss		
	i) Remeasurement of defined benefit plans	(62.42)	(45.86)
	ii) Fair value changes in equity instruments	(238.18)	(59.28)
	iii) Income tax relating to items (i &ii) above	15.71	16.03
	b) Items that will be reclassified to profit or loss		
	i) Exchange differences in translating the financial statements of a foreign operation	3.29	19.80
	Other comprehensive income (net of tax)	**(281.60)**	**(69.31)**
VIII.	**Total comprehensive income for the year**	**3,462.15**	**3122.50**
	Profit for the year		
	Attributable to:		
	Owners of the parent	**3,743.75**	**3,191.81**
	Non-controlling interests	-	-
	Total comprehensive income for the year Attributable to:		
	Owners of the parent	3,462.15	3,122.50
	Non-controlling interests	-	-
IX.	**Earning per equity share (Face Value 5 each)**		
	(1) Basic	13.51	11.53
	(2) Diluted	13.51	11.53

Fiscal 2020 compared to Fiscal 2019

Revenue from Operations

Our revenue from operations increased by 8.0% to ₹ 43,820.22 lakhs in Fiscal 2020 as against ₹ 40,571.88 lakhs for Fiscal 2019. This increase in our revenue from operations was primarily driven by an increase in our domestic sales. For Fiscal 2020 domestic sales increased by 7.7% compared to Fiscal 2019 primarily on account of higher demand of our IML products for paints industry. The IML products contributed over 66.3% of our total revenue from operations for Fiscal 2020 compared to 64.5% in Fiscal 2019.

Total Income

Total income increased by 8.0% to ₹ 43,936.15 lakhs for Fiscal 2020 from ₹ 40,684.67 lakhs for Fiscal 2019, primarily due to an increase in our sales as explained above.

Material consumed

Cost of materials consumed increased by 4.3% to ₹ 25,671.80 lakhs for Fiscal 2020 from ₹ 24,621.50 lakhs for Fiscal 2019, primarily due to increased production. Changes in inventories of finished goods and work in progress was ₹80.59 lakhs for Fiscal 2020 as compared against ₹(128.57 lakhs) for Fiscal 2019. The cost of material consumed accounted

for 58.6% of the total income in Fiscal 2019 compared to 60.2% in Fiscal 2020 on account of higher raw material prices. In Fiscal 2020, we spent ₹ 20,390.73 lakhs for 23,553 tonnes of polymer in comparison to Fiscal 2019, where we spent ₹ 20,131.64 lakhs for 21,326 tonnes of polymer.

Employee Benefit Expense

Employee benefits expense increased by 15.5% to ₹ 4,999.83 lakhs for Fiscal 2020 from ₹ 4,327.18 lakhs for Fiscal 2019. This increase was primarily due to higher outlay on salaries, welfare expenses, gratuity and increased Director's remuneration and perquisites. Employee benefits expense accounted for 11.4% of the total income in Fiscal 2020 compared to 10.6% in Fiscal 2019.

Finance Costs

As at March 31, 2020 our serviceable borrowing stood at ₹ 11,690.31 lakhs compared to borrowing of ₹ 11,075.16 lakhs as at March 31, 2019. Our finance costs increased by 37.4% to ₹1,039.81 lakhs for Fiscal 2020 from ₹ 756.89 Lakhs in Fiscal 2019, on account of full year interest on loans, and higher average working capital loan taken. Our finance cost accounted for 2.4% of the total income in Fiscal 2020 as against 1.9% in Fiscal 2019.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 19.3% to ₹ 1,921.60 lakhs for Fiscal 2020 from ₹ 1,610.50 Lakhs for Fiscal 2019, primarily due to a full year depreciation in our fixed assets added in previous year on account of operation of our manufacturing facilities and capitalisation of Capital works in progress.

Total Expenses

Total expenditure increased by 8.9% in Fiscal 2020 to ₹ 39,103.13 lakhs from ₹ 35,906.88 lakhs in Fiscal 2019. The increase is primarily attributable to the increase in certain expenses as explained above.

PBT

PBT increased by 1.1% from ₹ 4,777.79 lakhs in Fiscal 2019 to ₹ 4,833.02 lakhs in Fiscal 2020 mainly on account of factors mentioned above.

Tax Expense

Tax expense decreased from ₹ 1,585.98 lakhs in Fiscal 2019 to ₹ 1,089.27 lakhs for Fiscal 2020 which was a decrease of 31.3%, due to certain tax incentives available to our Company in Fiscal 2020 such as reduction in current tax rate from 35% to 25.7% and consequent change to cumulating deferred tax amount.

PAT

Our PAT increased by 17.3% from ₹ 3,191.81 lakhs in Fiscal 2019 to ₹ 3,743.75 lakhs in Fiscal 2020 on account of the factors explained above.

Results of the three months period ended June 30, 2020

Our results of operations for the three-month period ended June 30, 2020 were impacted by the COVID-19 pandemic. In India, the Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended, with certain modifications, till May 17, 2020 and then again to May 31, 2020. With effect from June 1, 2020, and until September 2020, 'unlock' was initiated in India over five phases, with added relaxations from time to time. While our Company had to temporarily close our manufacturing operations from March 25, 2020 in accordance with the directives issued by Government of India, we resumed partial manufacturing operations in subsequent months. Our utilized capacity across our manufacturing units decreased from 6,707 metric tonnes for the three months period ended June 30, 2019 to 3,861 metric tonnes for the three months period ended June 30, 2020. As informed to the Stock Exchanges by our letter dated June 5, 2020, our operations were restored by June 2020.

Revenue from Operations

Our revenue from operations for the three-month period ended June 30, 2020 was ₹ 6,529.78 lakhs.

Total Income

Our total income for the three months period ended June 30, 2020 was ₹ 6,543.71 lakhs due to the factors explained above.

Material consumed

Cost of materials consumed was ₹ 3,735.97 lakhs for the three-month period ended June 30, 2020 on account of our production.

Total Expenses

Total expenditure for the three months period ended June 30, 2020 was ₹ 6,334.44 lakhs due to expenses incurred by our Company towards material consumed, employee benefits, finance costs etc.

PBT

PBT for the three month period ended June 30, 2020 was ₹ 209.27 lakhs.

PAT

Our PAT for the three month period ended June 30, 2020 was ₹ 151.33 lakhs.

V. CASH FLOW

The table below summarizes our cash flow for Fiscal 2020 and Fiscal 2019:

(₹ In Lakhs)

Particulars	Fiscal 2020	Fiscal 2019
Net cash flow from operating activities	5,794.88	8,348.13
Net cash flow from investing activities	(2,342.70)	(7,558.31)
Net cash flow from financing activities	(3,433.28)	(790.64)
Net increase in cash and cash equivalents	**18.90**	**(0.82)**
Add: Balance at the beginning of the year	17.82	18.64
Cash and cash equivalents at the end of the year	**36.72**	**17.82**

Cash Flow from Operating Activities

Net cash generated from operating activities decreased to ₹ 5,794.88 Lakhs for Fiscal 2020 from ₹ 8,348.13 Lakhs for Fiscal 2019 on accounts of increased depreciation and amortization expenses and increased finance costs.

Cash Flow from Investing Activities

Net cash used in investing activities was ₹ 2,342.70 Lakhs for Fiscal 2020, primarily on account of purchase of fixed assets for capacity addition and expansion and moulds additions, appreciation of fair value of investments and dividend income.

Cash Flow from Financing Activities

Net cash used for financing activities was ₹ 3,433.28 Lakhs for Fiscal 2020, comprising mainly of interest payment and dividend and taxation provisions.

VI. CONTINGENT LIABILITIES

As at March 31, 2020, contingent liabilities disclosed in the notes to our audited financial statements aggregated ₹ 114.92 lakhs. Set forth below are our contingent liabilities that had not been provided for as at March 31, 2020

Nature of contingent liability	Amount (₹ in Lakhs)
Income Tax	105.83
VAT/CST	9.09
Total	**114.92**

The liability includes ₹ 41.58 lakhs paid under protest. For details, please see "***Outstanding Litigations and Defaults – Litigation involving our Company – Tax Matters***" beginning on page 122.

VII. SUMMARY OF RESERVATIONS OR QUALIFICATION OR ADVERSE REMARKS IN THE AUDITORS' REPORT AND THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF OUR COMPANY

There are no reservations or qualifications or adverse remarks in the auditors' report in Fiscal 2020.

VIII. CHANGE IN ACCOUNTING POLICIES AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF OUR COMPANY

There have been no changes in the accounting policies during the financial years of our Company ending March 31, 2020 and March 31, 2019.

IX. RECENT DEVELOPMENTS

While our Company had to temporarily close our manufacturing operations from March 25, 2020 in accordance with the directives issued by Government of India, we resumed partial manufacturing operations in subsequent months. Our utilization decreased during the time our manufacturing units were closed, which resulted in a decrease in our sales for such months. As informed to the Stock Exchanges by our letter dated June 5, 2020, our operations were restored by June 2020.

Except as stated above, and in this Letter of Offer, to our knowledge, no circumstances have arisen since March 31, 2020 which materially 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.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and our Subsidiary are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business.

Except as disclosed below there are no outstanding litigation involving our Company and/or our Subsidiary with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiary, (ii) material violations of statutory regulations by our Company and/or our Subsidiary, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiary, (iv) any pending matters, which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiary, and (v) tax matters.

Litigation involving our Company

(A) ***Tax matters***

1. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Hyderabad – 4 against the assessment order passed by the Assistant Commissioner of Income Tax ("**ACIT**") dated December 5, 2019 for the assessment year 2017 – 2018 on the grounds that: (i) ACIT erroneously disallowed payments made towards provident fund and employee's state insurance contribution and added the amounts involved in such payments to the returned income; (ii) ACIT erroneously disallowed the deduction claimed by our Company for employment and added such sum to the returned income; and (iii) ACIT overlooked the dividend distribution tax, including surcharge paid by our Company. The amount involved in the matter is ₹ 67.90 lakhs. The matter is currently pending.

2. Our Company has filed six appeals and petitions before various tax authorities, tribunals and the High Court of Andhra Pradesh, Hyderabad, *inter alia*, relating to, (i) claim of input tax credit that was rejected on account of forms filed with authorities being rejected; (ii) a writ of mandamus for declaration of Rule 37(2) (h) of the Andhra Pradesh Value Added Tax Rules 2005 to be ultra vires the Section 13(2) (a) of the Andhra Pradesh Value Added Tax Act, 2005; (iii) relief due to duplication of tax levied; (iv) error by the assessing officer in attribution of preliminary expenses to capital expenditure; and (v) error by the assessing officer in addition of employee remuneration costs to the return of income. The matters are currently pending at various stages. The cumulative amount involved in such matters is ₹ 38.52 lakhs.

3. Our Company has received two notices under section 220(2) of the Income Tax Act in relation to dividends earned by our Company on investments covered under Section 115-O of the Income Tax Act. Our Company has responded to such notices requesting the Assistant Commissioner of Income Tax, Circle - 16 (2), Hyderabad for a rectification order. The amount involved is ₹ 4.08 lakhs.

Litigation filed by our Company

(B) ***Other pending matters***

1. Our Company has filed a suit before the Additional Chief Judge, City Civil Court, Hyderabad against Expert Industries Private Limited ("**Respondent**") on the grounds of delayed delivery of a manufacturing order which was placed with the Respondent and failure on the part of the Respondent to comply with the terms of such order. Our Company has claimed a sum of ₹ 110.00 lakhs on account of loss of income from opportunities and a refund of ₹ 58.00 lakhs with interest to be paid by the Respondent. The Respondent has filed a counter claim against our Company alleging, *inter alia*, that our Company did not adhere to the timelines provided in the order which were conditions precedent for the manufacturing order. The Respondent has claimed a sum of ₹ 422.98 lakhs. The matter is currently pending.

2. Our Company has filed a suit against S.D. Containers LLP ("**Defendant**") before the court of the District and Sessions Judge, District Court, Indore ("**District Court**") for declaration and permanent injunction under Order VII, Rule 1 of the Code of Civil Procedure, 1908 read with Section 22 of the Design Act, 2000 and Section 55 and 56 of the Copyrights Act, 1957 alleging piracy and infringement of our Company's products, i.e. the lid and container by the Defendant and further supplying such products to manufacturers, including customers of our Company. Our Company has claimed, *inter alia*, (i) a decree of declaration that the Defendants have no right to manufacture containers similar to that of our Company; (ii) a decree of permanent injunction restraining the Defendants from copying, using or enabling others to use our Company's designs of containers; (iii) an award of a sum of ₹ 500.00 lakhs towards notional damages, etc.; and (iv) an order directing the Defendants to deliver certain kinds of machinery to our Company. The suit is valued at ₹

1,000.00 lakhs. Thereafter, the District Court passed an order dated February 17, 2020 ("**District Court Order I**") denying interim injunction to our Company. In this regard, our Company has filed an appeal before the High Court of Judicature of Madhya Pradesh ("**High Court**") praying for, *inter alia,* (i) District Court Order I to be set aside; and (ii) restraining the Defendants from selling containers and lids deceptively similar to those manufactured by our Company. Additionally, the Defendant filed an application before the District Court to transfer the suit to the High Court under Section 22(4) read with Section 19(1) of the Design Act, 2000 which was allowed by the District Court by its order dated March 23, 2020 ("**District Court Order II**"). However, the High Court, while adjudicating on the writ petition filed by our Company under Article 227 of the Constitution of India passed an order dated September 1, 2020, setting aside District Court Order II and stating that the District Court itself is competent to decide the suit. The matter is currently pending.

3. Our Company has filed a suit against Yash Plastomet (Private) Limited and others ("**Defendants**") before the High Court of Bombay for restraining the Defendants from using the registered designs or deceptive variations thereof, in relation to the new 20 litre conipail design of our Company. Our Company had filed applications and obtained certificate for registration of design for the lid and container of the new conipail under the Indian Patents and Designs Act, 1911 ("**Registered Design**"). Our Company has alleged that the Defendants have copied the Registered Design and want to pass off their conipails as our Company's. Our Company has *inter alia* prayed for (i) an order restraining the Defendants and their agents from using, manufacturing, selling, exporting, distributing any buckets, containers, lids, pails, or conipails which are an infringement on or a deceptive variation of our Company's Registered Design; and (ii) an order directing Defendants to pay to our Company a sum of ₹ 15.00 lakhs by way of damages. The suit is currently pending before the High Court of Bombay.

Litigation filed against our Company

(A) ***Other pending matters***

1. Expert Industries Limited has filed a counter claim against our Company before the Additional Chief Judge, City Civil Court, Hyderabad. For further details, please see "*Litigation involving our Company - Litigation filed by our Company – Other pending matters*" on page 122.

Litigation involving our Subsidiary

1. Our Subsidiary, Mold-Tek Packaging FZE has filed an appeal before the Tax Dispute Resolution Committee ("**TDRC**") against the decision issued by the Federal Tax Authority, United Arab Emirates ("**FTA**") on September 1, 2020. Our Subsidiary had filed an appeal before the FTA pursuant to Article 46 of the Federal Law No. 7 of 2017 on tax procedure, to consider the exemption of an administrative penalty imposed on our Subsidiary on June 10, 2020. Our Subsidiary submitted VAT return for certain periods and had not charged VAT on certain transactions by applying the special rules of designated zones, considering that it operates in a designated zone. In this regard, our Subsidiary received an email from the FTA stating that our Subsidiary became a designated zone from July 4, 2019 and the transactions for which VAT had not been charged shall be amended to standard rated sales by submitting a voluntary disclosure. Our Subsidiary responded to the FTA and shared the commercial license issued from RAK Free Zone Trade (i.e. designated zone with effect from January 1, 2018). The FTA by its letter dated May 3, 2020 stated that the official language for the VAT legislation is Arabic and the English translation is an unofficial version and the correct translation is RAK Port Free Zone and not RAK Free Trade Zone. Accordingly, our Subsidiary submitted voluntary disclosure and declared the transactions as a standard rate. While approving the voluntary disclosure, FTA imposed a penalty of AED 502,832 ("**Penalty**") on our Subsidiary. Our Subsidiary had prayed for, *inter alia,* a waiver of the Penalty. The FTA rejected the appeal of our Subsidiary and decided to support the fines and penalties related to the voluntary disclosure. Our Subsidiary has paid the Penalty. Our Subsidiary has prayed for, *inter alia,* the TDRC to overturn the decision imposing the Penalty on them. The matter is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on September 21, 2020, pursuant to Section 62(1)(a) of the Companies Act, 2013. Further, the shareholders of our Company by way of a resolution dated October 12, 2020 have approved the increase in the authorized share capital of our Company.

The Rights Committee in its meeting held on [●], 2020 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Rights Equity Shares (including a premium of ₹ [●] per Rights Equity Share) along with a detachable Warrant issued at Warrant Exercise Price of ₹ [●] per Warrant aggregating up to ₹ [●] lakhs. The Issue Price is ₹ [●] per Rights Security and has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date. On Application, Investors will have to pay ₹ [●] per Rights Security which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Security, which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Rights Committee at its sole discretion, from time to time and upon Warrant holders exercising their option to subscribe to Equity Shares against Warrants.

Non-resident shareholders should refer to Rule 7 of FEMA Rules as per which a person resident outside India and having an investment in an Indian company is not permitted to make investments in share warrants issued by an Indian company in a rights issue. Accordingly, non-resident shareholders desirous of participating in the Issue must obtain prior approval from RBI before the Issue Closing Date. Such approval must be valid till allotment. For further details, please see *"Notice to non-resident Eligible Equity Shareholders"* on page 10**,** "*Risk Factors - A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to Rights Securities in the Issue*" on page 27 and "*Terms of the Issue*" on page 132.

Our Company has received in-principle approvals from BSE and NSE under Regulation 28 of the SEBI Listing Regulations for listing of the Rights Securities to be allotted in the Issue pursuant to letters dated [●], 2020 and [●], 2020, 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 Circulars.

Our Company shall apply for the allotment of separate ISINs each for the Rights Entitlements, Rights Equity Shares and detachable Warrants. The ISIN number which shall be allotted for the Warrants shall be terminated upon the Warrants being converted into Equity Shares. For details, see "*Terms of the Issue*" on page 132.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, the Directors have not been and are not prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Promoter, our Promoter Group or our Directors are not debarred from accessing the capital market by the SEBI.

The companies with which the Promoter or the Directors are or were associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither the Promoter nor the Directors are declared as Fugitive Economic Offenders.

Directors of our Company who are associated with the securities market and details of outstanding actions, if any, in initiated by SEBI against the entities operating in the securities market with which such Directors are associated

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.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on the Stock Exchanges. This Issue is being undertaken in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Regulations 61, 62 and 67 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 61, 62 and 67 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares and Warrants to be issued pursuant to the Issue. [●] is the Designated Stock Exchange for the Issue.

Compliance with Regulation 99 of SEBI ICDR Regulations

Our Company satisfies the following conditions specified in Regulation 99 of SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. The Equity Shares of our Company have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of our Promoter Group is held in dematerialized form as on the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalisation of the public shareholding of our Company is at least ₹ 25,000 lakhs;

4. The annualised trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six months' period;

5. The annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six months' period;

6. Our Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, including with respect to the composition of the Board, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange, except the non-compliance in relation to the composition of the Board for the quarters ended December 31, 2019 and March 31, 2020. Our Company is in compliance with the required composition of the Board as per the Listing Agreement as on the date of filing the Letter of Offer. For further details, please see '*Risk Factors - As the securities of our Company are listed on a stock exchange in India, our Company and our promoters are subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and SEBI Listing Regulations. Our Company has been fined by the stock exchanges on account of non-compliance with corporate governance norms. Any non-compliances/delay in complying with such obligations and reporting requirements in the future may render us/our promoters liable to prosecution and/or penalties'* on page 23.

7. Our Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing of this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company or its Promoter or whole-time directors, as on the date of filing of this Letter of Offer with the Designated Stock Exchange;

9. Neither our Company nor our Promoter nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

10. The Equity Shares have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Manager and the Company or its group companies in accordance with applicable regulations;

12. Our Promoter and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended;

13. There are no audit qualifications on the audited accounts of our Company in respect of those financial years for which such accounts are disclosed in this Letter of Offer.

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 the SEBI ICDR Regulations as explained below:

(a) Our Company has been filing periodic reports, statements and information in compliance with the listing agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

(b) The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE and NSE.

(c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board of Directors 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, disclosures in this Letter of Offer have been made in terms of Clause (5) 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 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 LETTER OF OFFER. THE LEAD MANAGER, EMKAY GLOBAL FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS 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 REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, EMKAY GLOBAL FINANCIAL SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2020, 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 THIS LETTER OF OFFER OF THE SUBJECT ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE 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, THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THIS 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 THIS 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, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS LETTER OF OFFER – NOT APPLICABLE.

(6) ALL APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THIS LETTER OF OFFER – NOT APPLICABLE.

(7) ALL APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S 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 PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.

(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 ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER 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 ISSUER 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.

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING EQUITY SHARES HAVING SUPERIOR VOTING RIGHTS COMPARED TO OTHER EQUITY SHARES OF THE COMPANY ("SR EQUITY SHARES"), WHERE AN ISSUER HAS

OUTSTANDING SR EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD – 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 INCLUDING COMPLIANCE WITH THE SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2020/78 DATED MAY 6, 2020, READ WITH SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2020/136 DATED JULY 24, 2020.

(12) IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOT APPLICABLE.

(13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY– COMPLIED WITH.

(14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER– COMPLIED WITH.

(15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018– COMPLIED WITH.

(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH.

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 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 THIS LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this 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 the 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 laws, rules, regulations, guidelines and approvals to acquire Rights Securities, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Manager shall make all 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 of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Securities and rights to purchase the Rights Securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws 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 Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is [●].

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●], 2020, permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is set out below:

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated [●], 2020 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this letter of offer has been cleared in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer and Application Form and the issue of Rights Entitlements and Rights Securities 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 Letter of Offer, the Abridged Letter of Offer and Application Form 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, primarily through an email, this Letter of Offer/ Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Securities or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI.

Accordingly, the Rights Securities and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and Application Form or any offering materials or advertisements in connection with the Rights Securities or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This 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 in part, for any purpose

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer / Abridged Letter of Offer and Application Form primarily through an e-mail by the Registrar on behalf of our Company or the Lead Manager only to Eligible Equity Shareholders with SEBI circular bearing SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular bearing SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July, 24, 2020) who have provided an Indian address to our Company. 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 this Letter of Offer / Abridged Letter of Offer and Application Form , shall not be sent this Letter of Offer / Abridged Letter of Offer and Application Form. Further, Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP.

If this 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 Securities or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Securities or accepting any provisional allotment of Rights Securities, or making any offer, sale, resale, pledge or other transfer of the Rights Securities or Rights Entitlement.

Neither the delivery of this 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 Securities or excess Rights Securities, or who purchases Rights Entitlements or Rights Securities shall do so in accordance with the restrictions set out below.

United States

THE RIGHTS ENTITLEMENTS AND THE RIGHTS SECURITIES 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. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS SECURITIES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**"). THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS SECURITIES 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, THIS LETTER OF OFFER 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 of America when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or

any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States of America when the buy order is made, and (ii) is authorized to acquire the Rights Entitlement and the Rights Securities in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Securities in respect of any such Application Form .

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will simultaneously, file this Letter of Offer with SEBI at its office located at 7th Floor, 756-L, Anna Salai, Chennai - 600002, Tamil Nadu, India and the Stock Exchanges and will do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI.

Investor Grievances and Redressal System

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 ("**SRC**") which currently comprises Talupunuri Venkateswara Rao, Eswara Rao Immaneni and Venkata Appa Rao Kotagiri. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. 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 tracked online by our Company.

The Investor complaints received by our Company are generally disposed off within 7 - 10 days from the date of receipt of the complaint.

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Tel: +91 22 4918 6200
E-mail: moldtek.rights@linkintime.co.in
Investor grievance e-mail: moldtek.rights@linkintime.co.in
Contact person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI registration number: INR000004058

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/ post –Issue related problems such as non-receipt of Allotment advice/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Thakur Vishal Singh
Company Secretary and Compliance Officer
Plot No. 700, Road No. 36
Jubilee Hills, Hyderabad – 500033
Telangana
Tel: +91 40 40300323
Email: cs@moldtekpackaging.com

SECTION VII: ISSUE 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 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 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 Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

OVERVIEW

This Issue and the Rights Securities, i.e. the Rights Equity Shares along with the detachable Warrants proposed to be issued on a rights basis, are subject to the terms and conditions contained in this 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:

1. **Dispatch and availability of Issue materials:**

In accordance with the SEBI ICDR Regulations, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circulars, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or our Company, should visit www.linkintime.co.in. Investors can access this 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 Securities under applicable securities laws) on the websites of:

(i) our Company at www.moldtekpackaging.com;

(ii) the Registrar at www.linkintime.co.in;

(iii) the Lead Manager at www.emkayglobal.com;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the Registrar's web-based application platform ("**R-WAP**") at www.linkintime.co.in;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.linkintime.co.in) 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. moldtekpackaging.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity

Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "- *Procedure for Application through the ASBA Process*" and "- *Procedure for Application through the R-WAP*" on page 147**.**

(a) **ASBA facility**: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application through the ASBA Process*" on page 147.

Please note that subject to SCSBs complying with the requirements of SEBI Circular 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 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.

(b) **Registrar's Web-based Application Platform (R-WAP):**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*." ON PAGE 28.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.linkintime.co.in) or call helpline number (+91 22 4918 6200/ 4918 6171 / 4918 6172). For details, see "- *Procedure for Application through the R-WAP*" on page 147.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in internet, SMS *etc*., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

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) and R-WAP. Please note that incorrect depository account

details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see "- *Grounds for Technical Rejection*". 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 Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*"

2. **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 Circulars, 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 Equity Shares in this Issue are advised to furnish the 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 in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

(i) the Eligible Equity Shareholders apply only through R-WAP;

(ii) the Eligible Equity Shareholders are residents;

(iii) the Eligible Equity Shareholders are not making payment from non-resident account;

(iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

(v) the Eligible Equity Shareholders shall receive Rights Securities, in respect of their Application, only in demat mode.

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.

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Securities in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Securities in "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner*" on pages 152 and 161, respectively.

3. **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.linkintime.co.in

- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in

- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in
- Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.linkintime.co.in

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.

Basis for this Issue

The Rights Securities are being offered for subscription for cash 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.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised 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 Rights Securities 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 (www.linkintime.co.in) 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.moldtekpackaging.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. 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, 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 (www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Rights* Securities *in case of shareholders holding Equity Shares in Physical Form and disposal of Rights* Securities *for non-receipt of demat account details in a timely manner*" on pages 152 and 161, respectively.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, R -WAP, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Securities under applicable securities laws) and on the Stock Exchange websites. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Securities may not be offered or sold, directly or indirectly, and this Letter of Offer, the

Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Securities under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Terms of the Rights Equity Shares

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) along with [●] detachable Warrant (s) for a price of ₹ [●] per Warrant, for every [●] Rights Equity Share allotted in this Issue. On Application, Investors will have to pay ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share and ₹ [●] per Warrant which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s) for Rights Equity Shares, as determined by the Rights Committee at its sole discretion, from time to time and upon the Warrant holders voluntarily exercising their option to subscribe to Equity Shares against the conversion of Warrants within 18 months from the date of allotment of the Warrants.

The Issue Price for Rights Securities 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.

Application Money and Issue Price Payable - Illustration

The Issue is of [●] partly paid-up Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) along with [●] detachable Warrant(s) for cash at a price of ₹ [●] per Warrant for every [●] Equity Share held by the Eligible Equity Shareholders of the Company.

The Issue Price, being ₹ [●] per Rights Security (i.e. ₹ [●] per Rights Equity Share and ₹ [●] for Warrants) shall be the aggregate amount committed by the Eligible Equity Shareholders pursuant to the Issue.

The Application Money, being ₹ [●] per Rights Security (i.e. ₹ [●] per Rights Equity Share and ₹ [●] per Warrant) shall be the aggregate amount payable by the Eligible Equity Shareholders at the time of Application.

An Eligible Equity Shareholder, upon exercising one Rights Entitlement, will be required to pay Application Money and Issue Price, as provided below:

Rights Entitlement	For every [●] Equity Share held by the Eligible Equity Shareholders as on the Record Date	Eligible Equity Shareholders will be entitled to: [●] Rights Equity Shares	Eligible Equity Shareholders will be entitled to: [●] Warrant(s)
Issue Price	At an Issue Price of ₹ [●] per Rights Security	At a price of ₹ [●] per Rights Equity Share	At a price of ₹ [●] per Warrant

Application Money	Application Money, being 25% of the Issue Price, i.e. ₹ [●] per Rights Security	₹ [●] per Rights Equity Share	₹ [●] per Warrant

Eligible Equity Shareholders of our Company should calculate the respective Application Money and Issue Price required to be paid by them on the basis of their respective Rights Entitlements. The above table illustrates the Application Money and Issue Price required to be paid upon exercise of one Rights Entitlement.

Rights Entitlements Ratio

The Rights Securities 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 along with [●] ([●]) detachable Warrant for every [●] Rights Equity Share held, which will be credited in the demat account of the Applicant after the Allotment.

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. For details, see "- *Procedure for Renunciation of Rights Entitlements*" on page 149.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Securities 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 (namely, "**MTPL RIGHTS DEMAT ESCROW ACCOUNT – SHARES**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) 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 (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN 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 the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●], [●], 2020 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 the 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.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN which our Company shall apply for. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●], [●], 2020 to [●], [●], 2020 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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. For details, see "- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on page 149.

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.

Payment Schedule of Rights Equity Shares

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable as follows:

	Face value (₹ per Rights Equity Share)	**Premium (₹ per Rights Equity Share)**	**Total (₹ per Rights Equity Share)**
On Application	[●]	[●]	[●]
On Call(s) to be made by our Company*	[●]	[●]	[●]
Total	[●]	[●]	[●]

* *Our Company shall have the right to call up the remaining paid-up capital in one or more Call(s), as determined by the Rights Committee at its sole discretion, from time to time.*

Rights Equity Shares in respect of which the Calls payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Where an Applicant has applied for additional Rights Securities and is Allotted a lesser number of Rights Securities than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be 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.

Record date for Calls and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Calls would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the calls have been made may be suspended prior to the Call Record Date.

Procedure for Calls for Rights Equity Shares

Our Company would convene a meeting of the Rights Committee to pass the required resolutions for making the Calls and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be

published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Telugu language daily newspaper (Telugu being the regional language of Hyderabad, where our Registered and Corporate Office is situated), all with wide circulation.

The Calls shall be deemed to have been made at the time when the resolution authorising such Calls are passed at the meeting of the Rights Committee. The Calls may be revoked or postponed at the discretion of the Rights Committee. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days' notice for the payment of the Calls. The Rights Committee may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Calls, and if it does not receive the Call Money as per the timelines stipulated unless extended by the Rights Committee, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Rights Committee unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Fractional Entitlements

The Rights Securities are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares along with [●] warrant(s) per Rights Equity Share for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, 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 Security if they apply for additional Rights Securities over and above their Rights Entitlements, if any, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to 1 (one) Rights Equity Share along with [●] detachable Warrants and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share along with [●] detachable Warrants if such Eligible Equity Shareholder has applied for additional Rights Equity Shares along with [●] detachable Warrants, over and above his/her Rights Entitlements, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Securities. Such Eligible Equity Shareholders are entitled to apply for additional Rights Securities and will be given preference in the Allotment of one Rights Security, if such Eligible Equity Shareholders apply for additional Rights Securities, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares and Warrants, there is no requirement of credit rating for this Issue.

Ranking

The Rights Securities to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this 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, the provisions of the Companies Act, 2013, FEMA, 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, 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. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up and the Equity Shares allotted upon payment of the Warrant Exercise Price, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, and the Equity Shares allotted upon payment of the Warrant Exercise Price, Investors are entitled to dividend in

proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Securities to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Securities proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Securities Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Securities will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●], 2020 and from the NSE through letter bearing reference number [●] dated [●], 2020. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Securities subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Securities or the price at which the Rights Securities offered under this Issue will trade after the listing thereof.

The Rights Securities shall be listed and admitted for trading on the Stock Exchanges under separate ISINs for Rights Equity Shares and Warrants. The procedures for listing and trading of Rights Securities shall be completed within seven Working Days from the date of finalization of the Basis of Allotment. The Equity Shares issued pursuant to the allotment made to Warrant holders shall also be listed on the Stock Exchanges in accordance with applicable law.

For an applicable period, from the Call Record Date, the trading of the Rights Securities would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 533080) and NSE (Symbol: MOLDTKPAC) under the ISIN: INE893J01029. The Rights Equity Shares and detachable Warrants shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares and detachable Warrants shall be debited from such temporary ISINs and credited to the new ISINs for the Rights Equity Shares and the detachable Warrants and thereafter be available for trading and the temporary ISINs shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Securities 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 Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Securities, and if any such money is not refunded/ unblocked within eight 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 eighth 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 and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*" on page 42.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

(a) The right to receive dividend, if declared;

(b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

(c) The right to receive surplus on liquidation;

(d) The right to free transferability of Rights Equity Shares;

(e) 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 under "- *Credit and Transfer of Rights Equity Shares in case of*

shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page 161; and

(f) 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.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

Terms of the detachable Warrants

Separate ISIN for Warrants allotted

The Warrants shall be listed and admitted for trading under a separate ISIN on the Stock Exchanges. The procedures for listing and trading of Warrants will be completed in accordance with the SEBI ICDR Regulations. Warrants shall be converted into Equity Shares, upon the Warrant holder making the complete payment of the Warrants Exercise Price and transferring the Warrants into the Special Despository Account opened with NSDL. Such Warrant holders can obtain details of the Special Depository Account from the Registrar or our Company. The Equity Shares allotted pursuant to the conversion of the Warrants will have the same ISIN as the Equity Shares (i.e. INE893J01029).

After finalisation of Basis of Allotment, our Company will Allot Rights Equity Shares along with Warrants as per the terms of the Issue. Such Warrants will be credited in the respective demat account of the Warrant holders.

Warrant conversion

One Warrant will be converted into one Equity Share of ₹ 5 each upon making the complete payment of the Warrant Exercise Price during the Warrant Exercise Period. The Warrants can be freely and separately traded till the same are tendered for exercise. The market lot for the Warrants will be one Warrant.

For making the conversion request to the Company, the Warrant holders shall make the complete payment of Warrant Exercise Price and transfer the Warrants into a Special Despository Account opened with NSDL. The Warrant holders shall transfer the Warrants into the Special Despository Account by issuing the despository instruction slips to their respective brokers. In case the Warrant holders have demat accounts with CDSL, inter-depository slips shall be used for issuing instructions to their respective brokers for transferring the Warrants into the Special Depository Account. The Warrant Exercise Application Forms submitted by the Warrant holders to the Registrar shall be accompained by a cheque/demand draft/pay order payable at Hyderabad along with a photocopy of the delivery instruction in "off market" mode or a counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the Depository Participant in favor of the Special Depository Account.

Tenure of the Warrants

18 months from the date of allotment of the Warrants, i.e. Warrants which are not tendered to be converted into Equity Shares at the completion of the Warrant Exercise Period, shall lapse and the relevant holder/s of such Warrants shall not be entitled to allotment of the Equity Shares against such Warrants.

Warrant Exercise Period

The Warrant Exercise Period shall refer to the following:

A period that commences on the completion of the 1st month from the date of allotment of the Warrants and shall continue up to the completion of the 18th month from the date of allotment of the Warrants.

Further the Warrants which are not tendered to be converted into Equity Shares at the completion of the Warrant Exercise Period, shall lapse and the relevant holder/s of such Warrants shall not be entitled to allotment of the Equity Shares against such Warrants.

Payment Schedule of detachable Warrants

Amount payable per detachable Warrant (Due Date)	Face Value (₹)	Total (₹)
On Application	[●]	[●]
On Warrant Exercise	[●]	[●]
Total	[●]	[●]

The Warrant holders will have the option of voluntarily exercising their option to subscribe to Equity Shares upon the conversion of Warrants and payment of Warrant Exercise Price within 18 months from the date of Allotment of the Warrants. All Warrants not tendered for conversion into Equity Shares before the completion of the Warrant Exercise Period at the Warrant Exercise Price, shall lapse. In the event that the Warrant holder does not exercise the option to take the Equity Shares against any of the Warrant held by such Warrant holder, within 3 months from the date of payment of consideration of the Warrant Exercise Price, such consideration made in respect of such warrants shall be forfeited by our Company in accordance with the SEBI ICDR Regulations.

Warrant Exercise Price

The Warrant Exercise Price for each Warrant shall be fixed at ₹ [●]. The Warrant Exercise Price has been determined in accordance with SEBI ICDR Regulations.

In the event of any sub-division or consolidation of the face value of the Equity Shares of our Company, the share entitlement on each Warrant shall be proportionately increased/decreased such that the aggregate nominal value of the entitlement remains the same as the nominal value of the Equity Shares immediately prior to such subdivision or consolidation. The above would be subject to the approval of the shareholders and other relevant statutory and/or regulatory authorities.

Procedure for Exercise of Warrants

Warrant holders desirous of tendering their Warrants for conversion into Equity Share in the Warrant Exercise Period would be required to submit an application form, as prescribed by our Company, ("**Warrant Exercise Application Form**"). The Warrant Exercise Application Form will be sent by our Company to all the Warrant holders along with the allotment advice dispatched under the Issue. The Warrant Exercise Application Form would also be available to all Warrant holders on request with the Registrar during the Warrant Exercise Period and can be downloaded from our Company's website, namely, www.moldtekpackaging.com.

- The Registrar, Link Intime India Private Limited, will before the Warrant Exercise Period, as the case may be, open a special depository account with NSDL by the name of "**MTPL RIGHTS DEMAT ESCROW ACCOUNT - WARRANTS**" with a Depository Participant, ("**Special Depository Account**").

- Beneficial owners (holders) of Warrants who wish to tender their Warrants for exercise will be required to send their Warrant Exercise Application Form accompanied by a cheque / demand draft/ pay order favouring "**MOLD TEK PACKAGING LIMITED SPECIAL WARRANTS ACCOUNT**" payable at Hyderabad for the requisite amount along with a photocopy of the delivery instruction in "Offmarket" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account to the Registrar to the Issue.

- Beneficial owners (holders) of Warrants having their beneficiary account with the CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Warrants in favour of the Special Depository Account with the NSDL.

- During the Warrant Exercise Period, as the case may be, the Warrant holder should send the Warrant Exercise Application Form accompanied by the cheque or demand draft or pay order along with the photocopy or the counterfoil of the delivery instructions duly acknowledged by the Depository Participant to the Registrar– Link Intime India Private Limited.

- Equity Shares allotted on exercise of valid Warrants will be credited to the applicant's same demat account from where the Warrants have been credited within 15 days from the date of the meeting of the Rights Committee to allot the Equity Shares.

- The activities and indicative time period for the receipt of Warrants Exercise Application Forms and allotment of Equity Shares on conversion is provided below:

Activity	Indicative time period*
Receipt of valid Warrant Exercise Application Forms	On or before last day of each calendar month during the Warrant Exercise Period. (If the last day of such calendar month is a holiday, then the preceding Working Day shall be considered).

	On the 18th month from the date of receipt of trading approval, on or before the last day of the Warrants Exercise Period
Rights Committee meeting to approve the allotment of Equity Shares against the valid Warrants Exercise Application Forms received in preceding months	Any Working Day between the 7th to 15th calendar day of the succeeding calendar month
Receipt of listing & trading approvals	In accordance with SEBI ICDR Regulations, SEBI Listing Regulations and circulars issued by the Stock Exchanges

* *In this regard, our Company shall disregard applications which are liable for rejections, due to factors including dishonour of payment instrument or short payment or non-receipt of Warrants in the Special Depository Account.*

In case the Warrants along with the cheque/demand draft/ pay order towards full payment of the Warrant Exercise Price do not reach the Registrar by the end of the Warrant Exercise Period, the Warrants shall lapse.

Modification to the Terms of the Warrants

The rights attached to the Warrants shall be varied only with the consent in writing of the holders of not less than three-fourths of the outstanding Warrants or with the sanction of a special resolution passed at a separate meeting of holders of outstanding Warrants**.**

Rights of Warrant holders

- Subject to the above, the Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations and other related matters as in the case of Equity Shares of our Company;
- The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the shareholders of our Company or Annual Report of our Company and or to attend/vote at any of the General Meetings of the shareholders of our Company held, if any;
- Save and except the right of subscription to our Company's Equity Shares as per the terms of the issue of Warrants, the holders of the Warrants in their capacity as Warrant holders shall have no other rights or privileges;
- The Equity Shares arising from the conversion of detachable Warrants shall be subject to the MoA and AoA and shall rank *pari passu* in all respects with existing Equity Shares of our Company including dividends except that the Equity Shares arising from the conversion of detachable Warrants shall be eligible for dividends only after payment of Warrant Exercise Price and allotment of the Equity Shares.
- The Warrant holders *inter-se*, shall rank *pari passu* without any preference or priority of one over the other or others.

Criteria for rejection of the Warrant Exercise Application Form

- dishonour of payment instrument or short payment or rejection of payment instruments by the respective Warrant holder bank/drawee bank; and /or
- non receipt of Warrants into the Special Depository Account; and / or
- receipt of Warrant Exercise Application Form or payment or Warrants in Special Depository Account after the lapse of Warrant Exercise Period.

The Rights Committee on the basis of the above criterias will reject the Warrant Exercise Application Form of the Warrant holders. The Warrant holders whose application has been rejected by the Rights Committee on the above grounds may choose to apply again for conversion of Warrants within the Warrant Exercise Period.

Allotment of Equity Shares upon Exercise of the Warrants

Pursuant to the allotment of Equity Shares upon conversion of Warrants to our Promoters and/or Promoter Group in the Issue, the shareholding percentage of our Promoters and Promoter Group may collectively increase. Any such increase in the collective shareholding percentage of our Promoter and Promoter Group will be exempted in accordance with Regulation 10(4)

of the SEBI Takeover Regulations. Further, any such increase in their shareholding will not result in a change of control of the management of our Company.

Further, in relation to public shareholders, pursuant to the allotment of Equity Shares upon conversion of Warrants, the shareholding percentage of such public shareholder in our Company may trigger open offer obligations in accordance with the SEBI Takeover Regulations. In relation to this, the public shareholders can consult their legal or financial advisors.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares and detachable Warrants of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares and detachable Warrants in dematerialised mode is one Rights Equity Share and one detachable Warrant.

Joint Holders

Where two 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 Rights Securities offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Securities 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 Securities 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 Securities shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Securities and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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 Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered and Corporate Office is situated).

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in television channels, radio, internet *etc*., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

Non-resident shareholders should refer to Rule 7 of FEMA Rules as per which a person resident outside India and having an investment in an Indian company is not permitted to make investments in share warrants issued by an Indian company in a rights issue. Accordingly, non-resident shareholders desirous of participating in the Issue must obtain prior approval from RBI before the Issue Closing Date. Such approval must be valid till Allotment. For further details, please see *"Notice to non-resident Eligible Equity Shareholders" on page* 10, "*Risk Factors - A person resident outside India shall require approval of the Reserve Bank of India to be able to subscribe to Rights Securities in the Issue*" on page 27.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. Investors can access this 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 Securities under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. The Rights Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Securities 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 Securities 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.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection. For further details, please see *"Notice to non-resident Eligible Equity Shareholders"* on page 10.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the 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 the RBI and to obtain prior approval from RBI for applying in this Issue.

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. at www.linkintime.co.in or moldtek.rights@linkintime.co.in.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 152.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility 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.

Application Form

The Application Form for the Rights Securities offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights

Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non- availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in. Investors can access this 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 Securities under applicable securities laws) from the websites of:

(i) our Company at www.moldtekpackaging.com;

(ii) the Registrar at www.linkintime.co.in;

(iii) the Lead Manager, www.emkayglobal.com;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the R-WAP at www.linkintime.co.in.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident 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.moldtekpackaging.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the 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 Securities 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 Securities (i) 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, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i)the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- *Grounds for Technical Rejection*" on page 156. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any 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 an Application that is available on the website of the Registrar, Stock Exchanges, Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders

making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Application on Plain Paper under ASBA process"* on page 150.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Securities that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Securities to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Securities to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Securities to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Securities to the full extent of its Rights Entitlements and apply for additional Rights Securities; or

(v) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Securities in " *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Rights* Securities *in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner*" on pages 152 and 161, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit 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 should ensure that they have correctly submitted the Application Form, or have otherwise 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.

Self-Certified Syndicate Banks

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. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through the R-WAP

Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "*Risk Factors - The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*" on page 28.

Set out below is the procedure followed using the R-WAP:

(a) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

(b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(c) Non-individual residents are not eligible to apply in this Issue through R-WAP.

(d) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Securities to be applied for. Please note that the Application Money will be determined based on number of Rights Securities applied for.

(e) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Securities to be applied for.

(f) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020.

(g) The Investors shall make online payment using internet banking or UPI facility **from their own bank account only**. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(h) Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(i) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Securities (i) 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, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) 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, and (ii) the R -WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 150.

Additional Rights Securities

Investors are eligible to apply for additional Rights Securities over and above their Rights Entitlements, provided that they are eligible to apply for Rights Securities under applicable law and they have applied for all the Rights Securities forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of [●] Rights Equity Shares along with [●] Warrants. Where the number of additional Rights Securities 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 Securities shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- *Basis of Allotment*" on page 160.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Securities. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. 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 Rights Securities while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors 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; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares and detachable Warrants. 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. 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.

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.

(a) On Market Renunciation

The Investors 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 Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. 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 [●] Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●], [●], 2020 to [●], [●], 2020 (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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. 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 the SEBI.

(b) Off Market Renunciation

The Investors 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.

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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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 NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. 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 address outside India.

Please note that 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.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

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 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 Mold-Tek Packaging 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. DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Securities applied for within the Rights Entitlements;
7. Total number of Rights Securities applied for;
8. Total amount paid at the rate of ₹ [●] per Rights Equity Share;
9. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
10. 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, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules; For details in relation to the RBI approval, please see "*Notice to non-resident Eligible Equity Shareholders*" on page 10.
11. 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 Securities applied for pursuant to this Issue;
12. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

13. 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); and

14. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

    "I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US 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 (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers 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 we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

    I/ We will not offer, sell or otherwise transfer any of the 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 except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

    I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

    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, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

    I/ We acknowledge that the Company, the Lead Managers, their 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, 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 www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application 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 this 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 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.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 hereinafter.

For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 147.

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 Circulars, the credit of Rights Entitlements and Allotment of Rights Securities 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 Securities in this Issue are advised to furnish the 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 in their respective demat accounts at least one day before the Issue Closing Date.

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.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Securities in "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner*" on pages 152 and 161, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

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:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email 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 email, 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. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;

(b) 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;

(c) The Eligible Equity Shareholders can access the Application Form from:

- R-WAP, the website of the Registrar (www.linkintime.co.in);
- our Company (www.moldtekpackaging.com);
- the Lead Manager (at www.emkayglobal.com);
- the Stock Exchanges (at www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.linkintime.co.in) 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.moldtekpackaging.com);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit 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, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **may also apply** in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

(a) apply for its Rights Securities to the full extent of its Rights Entitlements;

(b) apply for its Rights Securities to the extent of part of its Rights Entitlements (without renouncing the other part); and

(c) apply for its Rights Securities to the full extent of its Rights Entitlements and apply for additional Rights Securities.

PLEASE NOTE THAT NON-RESIDENT 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 SECURITIES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Securities to such resident Eligible Equity Shareholders, see "- *Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner*" on page 161.

Allotment of the Rights Securities in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS SECURITIES 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 "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 161.

General instructions for Investors

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Securities in "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in*

physical form" and "- *Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner*" on pages 152 and 161, respectively.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using R-WAP.

(f) 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 this 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.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 150.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(k) Applications should be (i) 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, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) 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, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(m) In case of Application through ASBA facility, 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.

(n) 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, 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 Securities pursuant to this Issue shall be made into the accounts of such Investors**.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(p) 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.

(q) 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.

(r) All communication in connection with Application for the Rights Securities, including any change in address 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 numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address 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 Securities in physical form.

(s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(u) Investors are required to ensure that the number of Rights Securities applied for by them do not exceed the prescribed limits under the applicable law.

(v) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) 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.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number 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.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Securities will be Allotted in the dematerialized form only.

(b) 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.

(c) Ensure that there are sufficient funds (equal to {number of Rights Securities (including additional Rights Securities) applied for} X {Application Money of Rights Securities}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) 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 and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) 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.

(g) 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.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Rights Securities (including additional Rights Securities) applied for} X {Application Money of Rights Securities}) a vailable in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment. In case you are using a bank account which is not linked with your demat account, please make sure to attach a copy of cheque at the time of submitting the Application.

(d) Ensure that you receive a confirmation email on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), 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.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

(d) Do not apply from corporate account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (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 or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR 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).

(i) 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.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) 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.

(o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(p) Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules. For further details, please see "*Notice to non-resident Eligible Equity Shareholders*" on page 10.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

(a) Applications by non-resident Investors.

(b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Securities in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS SECURITIES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, 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 Depositor y Participants.

By signing the Application Forms, the 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.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email 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 Securities 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 three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Securities by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Securities may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Securities can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Securities are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Securities 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 the 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 Rights Securities 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 Securities.

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. 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 165.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoter and Promoter Group*" on page 42.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], [●], 2020, *i.e.*, Issue Closing Date. The Rights Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by the Rights Committee, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Rights Committee shall be at liberty to dispose of the Rights Securities hereby offered, as provided under the section, "- *Basis of Allotment*" on page 160.

Please note that on the Issue Closing Date, (i) 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, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

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 or sending the email withdrawal request to [●] in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

ISSUE OPENING DATE	**[●], [●], 2020**
LAST DATE FOR ON MARKET RENUNCIATION*	**[●], [●], 2020**
ISSUE CLOSING DATE	**[●], [●], 2020**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**[●], [●], 2020**
DATE OF ALLOTMENT (ON OR ABOUT)	**[●], [●], 2020**
DATE OF CREDIT (ON OR ABOUT)	**[●], [●], 2020**

DATE OF LISTING (ON OR ABOUT)	**[●], [●], 2020**

* *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.*

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.*, [●], [●], 2020 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.

For details, see "*General Information - Issue Schedule*" on page 38.

The Rights Committee may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this 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 Rights Securities in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Securities either in full or in part and also to the Renouncee(s) who has or have applied for Rights Securities renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) 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.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Securities offered to them as part of this Issue, have also applied for additional Rights Securities. The Allotment of such additional Rights Securities will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Securities after making full Allotment in (a) and (b) above. The Allotment of such Rights Securities 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.

(d) Allotment to Renouncees who having applied for all the Rights Securities renounced in their favour, have applied for additional Rights Securities provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Securities 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.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) 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 Securities 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.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Securities 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 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

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 email, to the email 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, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form and disposal of Rights Securities for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

(a) the Registrar shall send Allotment advice and credit the Rights Securities to a demat suspense account to be opened by our Company;

(b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail or hand delivery;

(c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Securities from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

(d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Securities lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, *etc*. to such Eligible Equity Shareholders to remit such proceeds.

    Such Rights Securities may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Securities may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;

(e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Securities;

(f) After the consummation of the sale of Rights Securities on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and

(g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

(h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Securities shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Securities in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Securities from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Securities until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Securities kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Securities in proportion to amount paid-up on the Rights Securities, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Securities or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Securities (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Securities).

5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, *etc.*, in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Securities, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

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 any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their

nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

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.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Securities in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS SECURITIES 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, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Securities in dematerialized (electronic) form. Our Company has signed an agreement dated October 16, 2008 with NSDL and an agreement dated October 8, 2008 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the securities in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS SECURITIES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Securities 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-a-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 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 Securities and the Application Form will be rejected.

5. The Rights Securities 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 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 email 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 Securities to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email 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 Rights Securities in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Securities in this Issue must check the procedure for application by and credit of Rights Securities to such Eligible Equity Shareholders in "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Rights Securities in case of shareholders holding Equity Shares in Physical Form*" on pages 152 and 161, respectively.

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 -Offer 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 the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

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. The FPIs who wish to participate in the Offer 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.

Procedure for Applications by AIFs, FVCIs and VCFs

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 SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. 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 rights issues. 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 or using R -WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

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.

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 the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI 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.

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 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakhs 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 five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch 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 and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

The Rights Committee 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 cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Securities Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. 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.

Utilisation of Issue Proceeds

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) 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; and

C. Details of all unutilized monies out of this Issue referred to under (A) 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.

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 Rights Securities are to be listed will be taken by the Rights Committee within seven Working Days of the Basis of Allotment.

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 15 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 and record all Applications made under the R-WAP process.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

1. Please read this 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 Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or 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 super scribed "**MOLD-TEK PACKAGING LIMITED– Rights Issue**" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   Link Intime India Private Limited
   C-101, 1st Floor, 247 Park
   Lal Bahadur Shastri Marg,Vikhroli (West)
   Mumbai – 400 083, Maharashtra, India.
   Telephone: +91 22 4918 6200
   Toll free numbers: +91 22 4918 6200
   Fax: 91 22 49186195
   Email: moldtek.rights@linkintime.co.in
   Investor Grievance E mail: moldtek.rights@linkintime.co.in
   Contact Person: Sumeet Deshpande
   Website: www.linkintime.co.in
   SEBI registration number: INR000004058

3. In accordance with SEBI Rights Issue Circulars, 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 (www.linkintime.co.in). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are + 91 22 4918 6200/ 4918 6171 / 4918 6172.

This Issue will remain open for a minimum 15 days. However, the Rights Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●], 2020 between our Company and the Lead Manager.
2. Registrar Agreement dated October 12, 2020 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated October 12, 2020 among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association.
2. Certificate of incorporation of our Company and certificates of incorporation consequent upon change in name of our Company.
3. Resolution of our Board dated September 21, 2020 in relation to this Issue and other related matters.
4. Resolution of our Rights Committee dated [●], 2020 in relation to this Issue and other related matters.
5. Resolution of our shareholders dated October 12, 2020 in relation to the increase in the authorized share capital of our Company.
6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, the Lead Manager, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
7. Consent letter of M.Anandam & Co., Chartered Accountants dated [●] to include their name as “expert” in this Letter of Offer.
8. Certificate dated [●] issued by M.Anandam & Co., Chartered Accountants, confirming that the borrowings of our Company have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.
9. The reports of the Statutory Auditors, in relation to the Audited Financial Statements and Limited Review Financial Information dated June 6, 2020 and August 1, 2020, respectively.
10. Annual Reports of our Company for Fiscal 2020, 2019, 2018, 2017 and 2016.
11. Statement of Tax Benefits from M.Anandam & Co., Chartered Accountants, dated [●].
12. Due Diligence Certificate dated [●], 2020 addressed to SEBI from the Lead Manager.
13. In principle listing approvals dated [●], 2020 and [●], 2020 issued by BSE and NSE respectively under Regulation 28(1) of the SEBI Listing Regulations.
14. Tripartite Agreement dated October 16, 2008 between our Company, XL Softech Systems Limited and NSDL.
15. Tripartite Agreement dated October 8, 2008 between our Company, XL Softech Systems Limited and CDSL.

Any of the contracts or documents mentioned in this 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 reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____Sd/-_____
Janumahanti Lakshmana Rao
Chairman and Managing Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Adivishnu Subramanyam
Deputy Managing Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Pattabhi Venkateswara Rao
Deputy Managing Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Srinivas Madireddy
Whole – time Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Janumahanti Mytraeyi
Non-Executive and Non-Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Talupunuri Venkateswara Rao
Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Venkata Appa Rao Kotagiri
Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Eswara Rao Immaneni
Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Dhanrajtirumala Narasimha Togaru
Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____ Sd/-_____
Madhuri Venkata Ramani Viswanadham
Independent Director

Date: October 12, 2020

Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this 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 Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

_____ Sd/-_____
Seshu Kumari Adivishnu
Chief Financial Officer

Date: October 12, 2020

Place: Hyderabad