



GSM FOILS LIMITED

CIN: U43303MH2023PLC405459

REGISTERED OFFICE: GALA NO 06/106/206/306, SAPPHIRE BUILDING, DIAMOND INDUSTRIAL ESTATE, VASAI (E), PALGHAR - 401208, MAHARASHTRA

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Date: August 26, 2025

To,
The Manager – Corporate Compliance Dept.
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block
Bandra - Kurla Complex, Bandra (East), Mumbai – 400051.

NSE SYMBOL: GSMFOILS

Sub: Letter of Offer in connection with the Proposed Rights Issue of the Fully Paid-up Equity Shares of GSM Foils Limited ("the Company").

This is in continuation to our earlier announcement dated August 13, 2025, August 14, 2025, August 18, 2025 and August 19, 2025 and August 21, 2025, wherein our Company has proposed a Rights Issue of 12,81,165 Equity Shares of face value of Rs. 10/- each of the Company at an issue price of Rs. 180/- per Rights Equity Shares aggregating to Rs. 2,306.10 Lakhs on rights basis to the eligible shareholders of the Company in the ratio of 1 Rights Equity Share for every 10 Fully Paid-up Equity Shares held by the Eligible Equity shareholders as on the record date *i.e.*, Thursday, August 28, 2025, the copy of the Letter of Offer in terms of Regulation 71(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith which is also being submitted with Securities and Exchange Board of India ("SEBI") for its information in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and SEBI Circular bearing ref. no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated March 11, 2025.

Further, Investors are hereby informed that the lot size for trading of Rights Entitlements (REs) shall be 100 REs. This is in accordance with the rights issue ratio approved by the Board of Directors at their meeting held on August 21, 2025, i.e., 1 (one) Equity Share for every 10 (ten) Equity Shares held by the eligible shareholders as on the record date. It may be noted that since the existing Equity Shares of the Company are currently traded in lots of 1,000 Equity Shares on the NSE Emerge platform, this may result in the creation of odd lots upon the allotment of Rights Equity Shares.

Kindly acknowledge and take the above in your records.

Thanking you,
For **GSM Foils Limited**

Pratik Makwana
Company Secretary
and Compliance Officer




GSM FOILS LIMITED

Our Company was originally formed as Limited Liability Partnership Firm under the name and style of “M/s. GSM Foils LLP” pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. M/s. GSM Foils LLP was thereafter converted into a Private Limited Company “GSM Foils Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and a fresh certificate of incorporation dated June 27, 2023 issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “GSM Foils Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04, 2023 issued by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is L43303MH2023PLC405459.

Registered Office: Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Maharashtra, India, 401208;

Contact Person: Pratik Mukeshbhai Makwana, Company Secretary and Compliance Officer;

Tel: +9184689 68102; **Email-ID:** investors@gsmfoils.com; **Website:** www.gsmfoils.com

PROMOTERS OF OUR COMPANY: SAGAR GIRISH BHANUSHALI AND MOHANSINGH LAXMANSINGH PARMAR			
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GSM FOILS LIMITED (“COMPANY” OR “ISSUER”) ONLY			
ISSUE OF 12,81,165* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹180.00 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹170.00 PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹ 2,306.10 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 10 (TEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON THURSDAY, AUGUST 28, 2025 (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, SEE “ISSUE INFORMATION” BEGINNING ON PAGE 67.			
*Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.			
PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES			
AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	10.00	170.00	180.00
Total (₹)	10.00	170.00	180.00
*For further details on Payment Schedule, see “Issue Information” on page 67.			
WILFUL DEFAULTERS OR A FRAUDULENT BORROWERS			
Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.			
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 the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must 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 investors is invited to the section “Risk Factors” beginning on page 22.			
OUR COMPANY’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 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 Emerge Platform of the National Stock Exchange of India Limited (“NSE EMERGE”), (the “Stock Exchange”). Our Company has received “in-principle” approval from Emerge Platform of the National Stock Exchange of India Limited (“NSE EMERGE”) for listing the Rights Equity Shares through their letter dated Thursday, August 21, 2025 Our Company will also make application to Emerge Platform of NSE (“NSE EMERGE”) to obtain trading approval for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.			
REGISTRAR TO THE ISSUE			
<div> Bigshare Services Pvt. Ltd.</div> <div>BIGSHARE SERVICES PVT LTD Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India Contact Details: +91-022-62638200 Fax No: +91-022-62638299 E-mail: rightsissue@bigshareonline.com Investor grievance e-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Suraj Gupta SEBI Registration No.: INR000001385</div>			
ISSUE SCHEDULE			
LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, August 29, 2025		
ISSUE OPENING DATE	Friday, September 05, 2025		
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS*	Monday, September 15, 2025		
ISSUE CLOSING DATE**	Thursday, September 18, 2025		
FINALISATION OF BASIS OF ALLOTMENT	Friday, September 19, 2025		
DATE OF ALLOTMENT	Friday, September 19, 2025		
DATE OF CREDIT OF RIGHTS EQUITY SHARES	Monday, September 22, 2025		
DATE OF LISTING	Tuesday, September 23, 2025		
*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 accounts of the Renouncees on or prior to the Issue Closing Date.			
** Our Board 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 Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.			

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SECTION I: GENERAL

A. DEFINITIONS AND ABBREVIATIONS

Definitions

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Letter of Offer uses certain 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.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to GSM Foils Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

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 chapter titled “*Summary of Letter of Offer*”, “*Financial Statements*”, “*Statement of Special Tax Benefits*” and “*Issue Information*” on pages 17, 59, 53, and 67 respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
“GSM Foils Limited / the Company/ our Company”	GSM Foils Limited incorporated under the provisions of the Companies Act, 2013 as amended from time to time and having its Registered Office at Gala no 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Vasai, Maharashtra 401208, India bearing Corporate Identification Number “L43303MH2023PLC405459”
“We/ us/ our”	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company.

Company related Terms

Term	Description
“AoA/ Articles of Association”	The Articles of Association of GSM Foils Limited, as amended from time to time
“Audit Committee”	The Audit Committee of our Board
“Audited Financial Statements”	Our Audited Financial Statements comprising of the balance sheets of our Company as at March 31, 2025 and the related statement of profit and loss (including other comprehensive income), Cash flow statements and the statements of changes in equity, including summary of significant accounting policies and other explanatory information to the respective financial statements, for the financial year ended March 31, 2025, prepared in accordance with the Indian Generally Accepted Accounting Principles in India (“Indian GAAP”) prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India.
“Auditors/ Statutory Auditors”	The current Statutory Auditors of our Company, being M N C A & Associates, Chartered Accountants
“Board of Directors/ Board”	Board of Directors of our Company
“Chairman & Whole Time Director”	The Chairman & Whole Time Director of our Company, being Sagar Girish Bhanushali

Term	Description
“Chief Financial Officer/ CFO”	The Chief Financial Officer of our Company, being Sagar Girish Bhanushali
“Company Secretary and Compliance Officer”	The Company Secretary and Compliance Officer of our Company, Pratik Mukeshbhai Makwana.
“Directors”	Directors on our Board as described in “ <i>Our Management</i> ”, beginning on page 56
“Equity Shares”	Equity shares of the Company having face value of ₹10.00 (Rupees Ten only)
“Independent Director”	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 56.
“ISIN”	International Securities Identification Number being INE0SQY01018.
“Issue Materials”	Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue.
“Key Management Personnel /KMP”	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled “ <i>Our Management</i> ” beginning on page 56
“Managing Director”	Mohansingh Laxmansingh Parmar
“MoA/ Memorandum of Association”	The Memorandum of Association of GSM Foils Limited, as amended from time to time
“Non-Executive Director(s)”	A Director, not being an Executive Director of our Company
“Promoter Group”	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “ <i>Capital Structure</i> ” on page 43
“Promoters”	The promoters of our company are Sagar Girish Bhanushali and Mohansingh Laxmansingh Parmar.
“Registered Office”	Gala no 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, thane, Vasai - 401208, Maharashtra, India.
“Registrar of Companies/ RoC”	Registrar of Companies, Mumbai.
“Senior Management Personnel”	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 56
“Stakeholders’ Relationship Committee”	Stakeholders’ relationship committee of our Board of Directors
“Stock Exchange”	Stock exchange where the Equity Shares are presently listed, being NSE Emerge

Issue related Terms

Term	Description
“Additional Rights Equity Shares”	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements
“Allotment Account Bank(s)”	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, Kotak Mahindra Bank Limited
“Allotment Account(s)”	The account(s) opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
“Allotment Advice”	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
“Allotment Date”	Date on which the Allotment is made pursuant to the Issue

Term	Description
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
“Allottees(s)”	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
“Applicant(s)/ Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s), to the extent applicable under the applicable law, who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
“Application”	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
“Application Form”	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
“Application Money”	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
“Application Supported by Blocked Amount or ASBA”	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
“ASBA Account”	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
“ASBA Circulars”	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
“Bankers to the Issue”	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, which is Kotak Mahindra bank Limited.
“Bankers to the Issue Agreement”	Agreement dated August 07, 2025 entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof
“Basis Allotment” of	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, and which is described in the section titled “ <i>Issue Information</i> ” beginning on page 67
“Controlling Branches /Controlling Branches of the SCSBs”	Such branches of the SCSBs the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI’s website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
“Demographic Details”	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
“Depository(ies)”	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
“Designated Branches”	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and 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 Stock Exchange”	Emerge Platform of National Stock Exchange of India Limited (NSE).
“Eligible Equity Shareholder(s)”	Eligible holder(s) of the Equity Shares of GSM Foils Limited as on the Record Date

Term	Description
“Equity Shareholder(s)” or “Shareholders”	Holder(s) of the Equity Shares of our Company
“Fraudulent Borrower”	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
“Gross Proceeds”	The gross proceeds raised through the Issue
“Issue/ Rights Issue”	<p>Rights Issue of 12,81,165* Equity Shares of our Company for cash at a price of ₹ 180/- (Rupees One Hundred and Eighty Only) per Rights Equity Shares (including a premium of ₹ 170/- per Rights Equity Share) amounting to ₹ 2,306.10* Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Shares for every 10 (Ten) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Thursday, August 28, 2025</p> <p>On Application, Investors will have to pay ₹ 180/- per Rights Equity Share which constitutes 100% of the Issue.</p> <p><i>*Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.</i></p>
“Issue Closing Date”	Thursday, September 18, 2025.
“Issue Materials”	Collectively, this Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
“Issue Opening Date”	Friday, September 05, 2025.
“Issue Period”	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations
“Issue Price”	₹ 180/- (Rupees One Hundred and Eighty Only) per Right Equity Share including a premium of ₹ 170/- (Rupees One Hundred and Seventy) per Rights Equity Share)
“Issue Proceeds”	The gross proceeds raised through the Issue
“Issue Size”	<p>The issue of 12,81,165* Rights Equity Shares aggregating to ₹ 2,306.10* Lakhs</p> <p><i>* Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.</i></p>
“Letter of Offer/ LOF”	The final letter of offer filed with the Stock Exchanges after incorporating the observations received from the Stock Exchanges on the Draft Letter of Offer
“Listing Agreements”	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	Infomerics Valuation & Rating Limited
Monitoring Agency Agreement	Agreement dated August 07, 2025, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
“Multiple Application Forms”	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
“Net Proceeds”	Issue Proceeds less the estimated Issue related expenses. For further details, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 45
“Off Market Renunciation”	<p>The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws.</p> <p>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</p>
“On Market Renunciation”	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchange through a

Term	Description
	registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchange from time to time and other applicable laws, on or before Monday, September 15, 2025
“QIBs or Qualified Institutional Buyers”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Record Date”	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of the Letter of Offer, being Thursday, August 28, 2025.
“Refund Bank”	The Banker to the Issue with whom the refund account will be opened, in this case being Kotak Mahindra Bank Limited
“Registrar Agreement”	Agreement dated August 07, 2025, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
“Registrar / Registrar to the Issue / Registrar or Share Transfer Agent”	Bigshare Services Private Limited
“Renouncees”	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular
“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 Monday, September 15, 2025, 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 Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the website of our Company
“Rights Entitlement (s)/ REs”	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 1 (One) Rights Equity Share for every 10 (Ten) Equity Shares held by an Eligible Equity Shareholder on the Record Date
“Rights Equity Shareholders”	Holder of the Rights Equity Shares pursuant to this Issue
“Rights Equity Shares”	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment
“Self-Certified Syndicate Banks/ SCSB(s)”	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or such other website as updated from time to time
“Specific Investor(s)”	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by our Company in terms of regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by our Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations
“Stock Exchange”	Stock exchange where the Equity Shares are presently listed i.e. NSE Emerge.
“Transfer Date”	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
“Wilful Defaulter”	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Term	Description
“Working Day(s)”	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 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 Equity Shares on the Stock Exchange, “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical and Industry related Terms

Term	Description
“AAY”	Antodaya Ann Yojna
“ACC”	Advanced chemical cell
“AFDIL”	Anglo French Drugs & Industries Limited
“AIDS”	Acquired Immune Deficiency Syndrome
“CAGR”	Compound Annual Growth Rate
“CAZRI”	Central Arid Zone Research Institute
“CDER”	Center for Drug Evaluation and Research
“CBER”	Center for Biologics Evaluation and Research
“CIS”	Commonwealth of Independent States
“CGSS”	Credit Guarantee Scheme for Start-ups
“CPI”	Consumer Price Index
“CQA”	Critical Quality Attribute
“DCGI”	Drug Controller General of India
“DPP”	Defense Procurement Procedure
“EPL”	Emcure Pharmaceuticals
“ESDM”	Electronics System Design and Manufacturing
“HFIs”	High-Frequency Indicators
“IIL”	Indian Immunologicals Ltd
“ICAR”	Indian Council of Agricultural Research
“IOT”	Internet of Things
“ISP”	Indian Society of Periodontology
“FCM”	Ferric Carboxymaltose
“FDA”	Food and Drug Administration
“FDI”	Foreign Direct Investment
“FICCI”	Federation of Indian Chambers of Commerce and Industry
“FPI”	Foreign Portfolio Investment
“FWA”	Fraud, Waste, and Abuse
“GII”	Global Innovation Index
“GST”	Goods and Services Tax
“GDP”	Gross Domestic Product
“GMP”	Good Manufacturing Practices
“GST”	Goods and Services Tax
“HOD”	Head of Department
“LDL”	Low-Density Lipoprotein
“MITRA”	The Mega Investment Textiles
“MoSPI”	Ministry of Statistics & Programme Implementation
“MoU”	Memorandum of Understanding
“NABARD”	National Bank for Agriculture and Rural Development
“PMGKAY”	Pradhan Mantri Garib Kalyan Ann Yojana
“PLC”	Public Limited Company
“PRIP”	Promotion of Research and Innovation in Pharma
“PVC”	Polyvinyl Chloride

“R&D”	Research and Development
“RBI”	Reserve Bank of India
“RIL”	Reliance Industries Limited
“ROI”	Return on Investment
“SEBI”	Securities and Exchange Board of India
“STP”	Sewage Treatment Plant
“STT”	Securities Transaction Tax
“USFDA”	United States Food and Drug Administration
“VMCH”	Vinyl Monomer Coating and Heat Sealable Coated
“VP”	Vice President
“WEO”	World Economic Outlook
“WHO”	World Health Organization

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“Aadhaar”	Aadhaar card
“AGM”	Annual general meeting of the Shareholders of our Company
“AIF(s)”	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“AS”	Accounting Standards issued by the Institute of Chartered Accountants of India
“BSE”	BSE Limited
“CAF”	Common Application Form
“CDSL”	Central Depository Services (India) Limited
“CFO”	Chief Financial Officer
“CIN”	Corporate Identification Number
“CIT”	Commissioner of Income Tax
“CLRA”	Contract Labour (Regulation and Abolition) Act, 1970
“Companies Act, 2013”	Companies Act, 2013 along with rules made thereunder
“Consolidated FDI Policy”	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
“COVID-19”	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
“CSR”	Corporate Social Responsibility
“Depositories Act”	The Depositories Act, 1996
“Depository”	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
“DIN”	Director Identification Number
“DP”	Depository Participant
“DP-ID”	Depository Participant’s Identification
“DR”	Depository Receipts
“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
“EEA”	European Economic Area
“EGM”	Extraordinary General Meeting
“EPS”	Earning per Equity Share
“FDI”	Foreign Direct Investment
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“FEMA”	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder

Term	Description
“FII(s)”	Foreign Institutional Investors registered with SEBI under applicable laws
“FIPB”	Foreign Investment Promotion Board
“FPIs”	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
“Fugitive Economic Offender”	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“FVCI”	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
“FY”	Period of 12 months ended March 31 of that particular year, unless otherwise stated
“GAAP”	Generally Accepted Accounting Principles
“GDP”	Gross Domestic Product
“GDR”	Global Depository Receipt
“GNPA”	Gross Net Performing Assets
“GoI / Government”	The Government of India
“GST”	Goods and Services Tax
“HUF”	Hindu Undivided Family
“ICAI”	The Institute of Chartered Accountants of India
“ICSI”	The Institute of Company Secretaries of India
“IFRS”	International Financial Reporting Standards
“Income Tax Act/ IT Act”	The Income Tax Act, 1961 and amendments thereto
“Ind AS”	Indian Accounting Standards
“Indian GAAP/ I-GAAP”	Generally Accepted Accounting Principles In India
“Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
“Insolvency Code”	Insolvency and Bankruptcy Code, 2016, as amended
“IT”	Information Technology
“MCA”	The Ministry of Corporate Affairs, GoI
“Mn / mn”	Million
“Mutual Funds”	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“N.A. or NA”	Not Applicable
“NAV”	Net Asset Value
“NEFT”	National Electronic Fund Transfer
“Notified Sections”	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
“NR/ Non- Resident”	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
“NRE”	Account Non-resident external account
“NRI”	Non-resident Indian
“NSDL”	National Securities Depository Limited
“NSE EMERGE”	Emerge Platform of National Stock Exchange of India Limited (NSE EMERGE)
“OCB”	Overseas Corporate Body
“p.a.”	Per annum
“P/E Ratio”	Price/Earnings Ratio
“PAN”	Permanent account number
“PAT”	Profit after Tax
“RBI Act”	Reserve Bank of India Act, 1934
“RBI”	Reserve Bank of India
“RoNW”	Return on Net Worth
“SCORES”	SEBI Complaints Redress System
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957

Term	Description
“SEBI (ICDR) Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
“SEBI (LODR) Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
“SEBI (SAST) Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
“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”	Securities and Exchange Board of India
“Securities Act”	United States Securities Act of 1933, as amended
“STT”	Securities transaction tax
“Trademark Act”	Trademarks Act, 1999 and the rules thereunder, including subsequent amendments thereto
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States of America
“US\$/ USD/ US Dollar”	United States Dollar, the official currency of the United States of America
“USA/ U.S./ US”	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“VCF”	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

B. NOTICE TO INVESTORS

The distribution of this Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the “**Issue Materials**”) and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For details, see “*Restrictions on Purchases and Resales*” on page 97.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For details, see “*Restrictions on Purchases and Resales*” on page 97.

Investors can also access this Letter of Offer, and the Application Form from the websites of our Company, the Registrar, and the Stock Exchange.

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders, available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares

will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the “*Restrictions on Purchases and Resales*” on page 97.

Our Company, in consultation with the Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either 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 Equity Shares in respect of any such Application Form.

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

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are 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.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS, LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. 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 ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be

required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer and Application Form only to Eligible Equity Shareholders, who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

C. 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, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, unless otherwise specified or if the context requires otherwise, 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, the financial data in this Letter of Offer is derived from the Audited Financial Statements. The Fiscal 2025 Audited Financial Statements were audited by our Statutory Auditors.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For further details, please refer to the section titled "*Financial Information*" beginning on page no 59.

Our Company prepares its financial statements in accordance with Indian GAAP, Companies Act and other applicable statutory and/or regulatory requirements. 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.

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. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in Lakhs.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "Non-GAAP Financial Measures", and each, a "Non-GAAP Financial Measure") in this Letter of Offer, which are Net Worth, Return on Net Worth, Net Asset Value per Equity Share. These Non-GAAP Financial Measures are not required by or presented in accordance with Indian GAAP. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures 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. Accordingly, such Non-GAAP

Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP.

Currency and Units of Presentation

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

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “lakhs”. The amounts derived from financial statements included herein are represented in “lakhs”, as presented in the Audited Financial Statements. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currencies is as follows:

Sr. No.	Currency	As of March 31, 2025 (in ₹)	As of March 31, 2024 (in ₹)	As of March 31, 2023 (in ₹)
1.	1 USD	85.58	83.37	82.21

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

D. 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 such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business 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 actual results to differ materially from our Company’s expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the industry in which we operate;
- Factors affecting the industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Changes in government policies and regulatory actions that apply to or affect our business.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled “*Risk Factors*” beginning on pages 22.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our Company’s management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst 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 our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events 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.

In accordance with SEBI and Stock Exchange requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

SECTION II: SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*” and “*Objects of the Issue*” beginning on pages 22 and 45.

Summary of our Business

Our Company, GSM Foils Limited is engaged in the business of manufacturing Blister Foils and Aluminium Pharma Foils (also known as “Strip Foils”) which is used in packaging of pharmaceutical medicines which includes capsules and tablets both. This is a primary packaging material which comes in direct contact with the medicine, hence, utmost care is taken with regards to its quality. Over the past few years, we have acquired definite know how in different types of foils used in pharmaceuticals companies. We offer Aluminium foils in different sizes, shapes and thickness to meet diverse needs of our clients. The range of our products includes plain and printed aluminium foils and strip foils along with Alu base foils and it ranges from 0.020/ 0.025/ 0.030/ 0.040 micron for coated /poly laminated/ blister/ strip printed foils.

We are an ISO 9001:2015 certified company, and our management system complies with the Current Good Manufacturing Practice (CGMP) standards for the production of aluminium-coated blister foils, strip pharma foils, and printed foils for the pharmaceutical industry.

We have developed a manufacturing facility at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Vasai, Maharashtra, India, 401208 in 7,973 Sq. feet area with ground plus 3 floors for smooth execution of all the business operations. Our manufacturing facilities are equipped with the necessary tools, machineries, other equipment's and amenities, to support a seamless manufacturing process, hassle-free production, Quality testing, research, storage and packaging. All our machinery is periodically upgraded and lubricated with experienced personnel so as to retain production rate.

Our Company have PAN India presence with our clientele base including in the states like Maharashtra, Gujarat, Goa, Delhi and Sikkim and Union territory of Daman and Diu for our domestic market based on sales made for the financial year ended March 31, 2025.

The principal raw materials required for our manufacturing process includes Aluminium foils, LDPE FILMS, Chemicals includes-Ethyl acetate, Vinyl Powder, Acetone, MEK, Diesel, Shellac Chips.

The Promoters of our company are Sagar Girish Bhanushali and Mohansingh Laxmansingh Parmar.

Our Company has product portfolio in the Aluminium Foil category. We are the manufacturer of Blister Foils and Aluminium Pharma Foils which is used in packing of pharmaceutical medicines ranging from 20/ 25/ 30/ 040 micron for coated /poly laminated/ blister/ printed foils. With our customized ideas in products, our client gets total packaging solutions from us. Quality and timely delivery of order of product comes as a priority for us. A brief description of our key products are as follows:

1. **Blister Foils:** Blister packaging is two-part pre-formed packaging consisting of a thermoformed plastic tray or a cold formed tray and a lidding material. Our company manufactures the lidding material which typically contains aluminium foil and is bonded to the formed tray by heat sealing. Blister packs are often used for medicines in the pharmaceutical industry. These consist of the push-through Blister (or shorter “Blister”), a moulded plastic with cavities for the individual tablets, and a push-through closure made of aluminium foil, which is called blister film or lid film.
 - a) **Push-through blister packaging:** Push-through blister packaging is constructed so medication doses are pushed through the lidding. As such, hard temper aluminium and soft temper aluminium is used. Lidding with a relatively higher puncture strength can sometimes be used to achieve a level of child resistance.

- b) **Peel-open blister packaging:** Peel-open blister packaging is constructed so medication doses are dispensed when the lidding is peeled from the tray. Lidding for peel-open applications combines aluminium with a paper backing or a paper/PET backing.
- c) **Peel-push blister packaging:** Peel-push blister packaging is constructed so medication doses are dispensed through a combination of peeling back a lidding layer, then pushing the pharmaceutical through the remaining aluminium foil. Peelpush lidding is layered paper/PET/aluminium foil/HSC.
- d) **Tear-open packaging:** Tear-open packaging is constructed so medication doses are dispensed by tearing the package open. Materials used for tear-open packaging are paper/PET/aluminium foil/HSC.

2. Aluminium Strip Pharma Foils:

We manufacture a range of Aluminium Foils suitable for strip packaging of pharmaceutical products such as Tablet, Capsules etc. Aluminium Strip foil is particularly suited for this because it ensures complete insulation against light, gases, moisture and germs. It completely blocks the passage of light and entry of unwanted odours. Each Tablet/capsule is individually protected. We offer both plain and printed strip foil as per customers' requirements in Foil. The final product specifications are made as per agreed terms with the customers. Strip Foils are used for the drugs, which are light sensitive to mid sensitive to highly sensitive. Following is the structure of the strip foil:

- ❖ Nitrocellulose Coating
- ❖ Bare Aluminium Foil
- ❖ LDPE (Low-density polyethylene)

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans. We do not have employees on contractual basis.

Intention and extent of participation by our Promoters & Promoter Group

Promoters and Promoter Group of our Company through their letter dated August 07, 2025, have confirmed that:

- i. they may intend to subscribe to the Rights Entitlements in part or in full in this Right Issue.
- ii. they may renounce the Rights Entitlements within the Promoter Group or to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.
- iii. they may or may not apply for and subscribe to the additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.
- iv. any acquisition of additional Equity Shares shall not result in change of control of the management of our Company in accordance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, ('SEBI (SAST) Regulations') and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations.

Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Allotment of Under-Subscribed Portion of the Rights Issue

Our Company may allot any undersubscribed portion (if any) of the Rights Issue to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public

advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalization of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar.

Details of our Company or any of our Promoters or Directors being a Wilful Defaulter or a Fraudulent Borrower

Neither our Company, nor any of our Promoters or Directors, has been identified as a wilful defaulter or a fraudulent borrower.

Summary of Outstanding Litigations

A summary of the outstanding legal proceedings involving our Company as per SEBI LODR Regulations as on the date of this Letter of Offer are mentioned below:

Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Involving criminal liability on the part of our Company	Nil	Nil
Tax Proceedings	Nil	Nil
Material violations of the statutory regulations by our Company	Nil	Nil
Economic offences where proceedings have been initiated against our Company	Nil	Nil
Other Material Civil Litigation	Nil	Nil

Objects of the Issue

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

Particulars	Estimated amount (₹ Lakhs)
Funding Working Capital Requirements of our Company	2,000.00
General Corporate Purpose	288.56
Total Net Proceeds*	2288.56

* Assuming full subscription with respect to the Rights Equity Shares and subject to finalization of the Basis of Allotment. For further details, please see "Objects of the Issue" on page 45.

Details of the Issue

This Issue has been authorized by way of a resolution passed by our Board of Directors on August 07, 2025, in pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board of Directors at their meeting held on Thursday, August 21, 2025.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in "Issue Information" beginning on page 67:

Rights Equity Shares offered in the Issue*	12,81,165 [#] Equity Shares
Rights Entitlement	1 (One) Equity Shares for every 10 (Ten) Equity Shares held on the Record Date
Record Date	Thursday, August 28, 2025
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each
Issue Price per Equity Share	₹ 180/- (Rupees Only Hundred and Eighty) including a premium of ₹ 170/- (Rupees One Hundred and Seventy Only) per Rights Equity Share

	On Application, Investors will have to pay ₹ 180 per Equity Share, which constitutes 100% of the Issue price including premium.
Issue Size	₹ 2,306.10 Lakhs [#]
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari-passu in all respects with the Equity Shares of our Company.
Security Codes for the Equity Shares	ISIN: INE0SQY01018 NSE Symbol: GSMFOILS
Lot size of Trading of Right Equity shares	1,000 Equity Shares
Lot size of Trading of Right Entitlements	100 Right Entitlements
ISIN for Rights Entitlements	INE0SQY20018
Terms of the Issue	For details, please see “ <i>Issue Information</i> ” on page 67
Use of Issue Proceeds	For details, please see “ <i>Objects of the Issue</i> ” on page 45

**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 10 Equity Shares or is not in multiples of 10, 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 lot of Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

Subject to the finalization of the Basis of Allotment and the Allotment.

Terms of Payment

Due Date	Face Value (₹)	Premium (₹)	Total amount payable per Rights Equity Share (including premium) (₹)
On Application (i.e., along with the Application Form)	10/-	170/-	180/-

Minimum Subscription

The objects of this Issue involve: (i) Funding Working Capital Requirements of our Company and (ii) for General Corporate Purposes.

Further, Promoters and Promoter Group of our Company through their letter dated August 07, 2025, have confirmed that:

- they may intend to subscribe to the Rights Entitlements in part or in full in this Right Issue.
- they may renounce the Rights Entitlements within the Promoter Group or to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.
- they may or may not apply for and subscribe to the additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.
- any acquisition of additional Equity Shares shall not result in change of control of the management of our Company in accordance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, ('SEBI (SAST) Regulations') and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations.

In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to this Issue.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Friday, September 05, 2025
Last Date for On Market Renunciation of Rights	Monday, September 15, 2025
Issue Closing Date	Thursday, September 18, 2025

**The Board of Directors will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

The above schedule is indicative and does not constitute any obligation on our Company. 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 (2) Working Days prior to the Issue Closing Date, i.e., Monday, September 15, 2025 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, being Wednesday, September 17, 2025.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “*Issue Information*” on page 67.

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

SECTION III: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the section “Summary of Letter of Offer” and “Introduction” on pages 17 and 40 respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue have independently verified the information in the publicly available information cited in this section.

Unless otherwise stated, references in this section to the “Company” or “our Company” means “GSM Foils Limited”, and “we”, “our” or “us” (including in the context of any financial information) is a reference to our Company as applicable. Unless otherwise stated, references to “Group” or “GSM Group” shall mean GSM Foils Limited as applicable.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 16.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Audited Financial Information, prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI ICDR Regulations.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some risks may not be material individually but may be found material collectively.
- Some risks may have an impact which is qualitative though not quantitative.
- Some risks may not be material at present but may have a material impact in the future.

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another. In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

Object Related Risk

- 1. We require working capital for our day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations.

- 2. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other external agency. Further, in the absence of such external appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “*Objects of the Issue*” on page 45.

- 3. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Letter of Offer, we have not made any alternate arrangements for meeting our capital requirements for objects of the issue. We meet our capital requirements through, owned funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Net Issue proceeds may delay the implementation schedule and could adversely affect our growth.

Risk Material to our Company and Our Business

- 4. We depend on the success of our relationships with our customers. We derive a significant part of our revenue from our top 10 customers and we do not have long-term contracts with these customers. If such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

Our revenue from operations from our top 10 customers were ₹ 5,860.11 Lakhs, ₹ 2,376.33 Lakhs, and 2,863.41 Lakhs representing 43.80 %, 45.92 % and 43.46% of our total revenue from operations for the financial year ended March 31, 2025, 2024 and 2023, respectively. Given the nature of our business, there can be no assurance that we would be able to attract new customers or reduce our dependence on any of our top customers. We expect that we will continue to be reliant on our major customers for the foreseeable future.

Accordingly, any failure to retain these customers or to remain suppliers to these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial condition and results of operations. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our expectant and existing

inventory levels at our unit, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future. Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. There are also several factors, other than our performance that could cause the loss of a customer, which include those customers who may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects.

5. *We generate our major portion of sales from our operations in certain geographical regions especially Maharashtra, Gujarat and Dadra & Nagar Haveli. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

For the financial year ended March 31, 2025, 2024 and 2023, our revenue from our customers situated in Maharashtra, Gujarat and Dadra & Nagar Haveli are as follows:

(₹ in Lakhs)

Particulars	FY 2024-2025		FY 2023-2024		FY 2022-2023	
	Revenue from Operation	% of total Revenue from Operation	Revenue from Operation	% of total Revenue from Operation	Revenue from Operation	% of total Revenue from Operation
Maharashtra	8,915.17	66.63	4,005.45	77.40	4,375.01	66.41
Gujarat	1,975.36	14.76	514.97	9.95	1,117.41	16.96
Dadra & Nagar Haveli	1,753.06	13.10	413.86	8.00	859.86	13.05

Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets.

6. *Our Company is reliant on the demand from the pharmaceutical industry for a significant portion of our revenue. Any downturn in the pharmaceutical industry or an inability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.*

Our Company is engaged in the business of manufacturing finished goods which are used in the pharmaceutical industry and therefore, our revenues are highly dependent on our customers from the pharmaceutical industry and the loss of any of our customers from the said industry which we cater to may adversely affect our sales and consequently on our business and results of operations. Further, in the event, there is a shift of practice of developing our products in-house in the pharmaceutical industries, it may have an adverse impact on the demand for our products. Similarly, in the event of any new breakthrough in the development of a novel product or raw material by our competitors or customers, our products may become obsolete or be substituted by such alternatives; thereby impacting our revenues and profitability adversely. It may also happen that our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their similar or high-quality products at lower price our Company may be unable to adequately react to such developments which may affect our revenues and profitability.

7. *Any slowdown or shutdown of our Manufacturing operations at our Manufacturing Facilities which is concentrated in a single region i.e., Thane, Maharashtra, any inability to operate and grow our business in*

this particular region, could have an adverse effect on our Business, Financial Condition and Results of Operations.

We have one manufacturing facility situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane - 401208 Maharashtra, India, which exposes us to the risks of concentration. Our business is dependent upon our ability to manage our manufacturing facility, including productivity of our workforce, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our automation systems, obsolescence or any other part of our manufacturing processes or systems (together, our “**Manufacturing Assets**”) may entail significant repair and maintenance costs and cause delays in our operations. However, we cannot assure you that we shall not experience any malfunction or breakdown of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. Further, there can be no assurance that in future, if we suffer accidents or if we are subject to shutdowns due to malfunctions, that we would be able to recover insurance costs covering all losses. Any uninsured losses in the future would adversely impact our results of operations and profitability. Additionally, any regulatory notices received indicating shortfall in quality or inadequacies of quality control measures or in our products could require us to make unplanned shutdowns to our manufacturing facilities in the future, resulting in losses and operational difficulties. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

8. ***Any disruptions to the supply, or increases in the pricing, of the raw materials, may adversely affect the supply and pricing of our products and, in turn, adversely affect our Business, Cash Flows, Financial Condition and Results of Operations.***

We depend on third-party suppliers for certain of our raw materials. The key raw materials that we use for our manufacturing operations include Aluminium Sheets and variables including chemicals for our formulations, key starting materials and intermediaries for our internally manufactured Blister Foils and Aluminium Pharma Foils. We have no control on the prices of our basic raw material.

Any such fluctuations in prices of aluminium may adversely affect our business operations and financial performance. Aluminium foil (Aluminium Sheets) is the major raw material for our packaging products. Hence our profitability will also be affected to the extent we are unable to pass on any increase in the cost of aluminium to our customers. The prices of these raw materials fluctuate due to availability and demand. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability. We may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations

9. ***Our Registered Office and Manufacturing facility are not owned by us. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.***

Our Registered office and Manufacturing facility situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane - 401208, Maharashtra, India is not owned by us and is taken on Leave & License basis for a period of 55 months commencing from November 01, 2023 and expiring on May 31, 2028 from Kanhaiya Lal Agrawal and Suchita Vyankat Bastapure. Further, we cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

10. The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Aluminium industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

11. Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. As at March 31, 2025 and March 31, 2024, our inventories were ₹ 1,886.04 lakhs and ₹ 1,023.45 lakhs, respectively. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations.

As at March 31, 2025 and March 31, 2024, our trade receivables were ₹ 3,376.64 lakhs and ₹ 732.46 lakhs, respectively. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

12. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

As per our Audited Financial Statements, our cash flows from operating, investing and financing activities are as set out below:

Particulars	For the Financial Year ended on		
	2025	2024	2023
Net Cash Generated/(Used) from Operating Activities	(1,769.31)	(1,371.54)	60.36
Net Cash Generated/(Used) from Investing Activities	(455.37)	(96.76)	(71.54)
Net Cash Generated/(Used) from Financing Activities	2,209.39	1,507.84	19.17

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external

resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

13. Our ability to anticipate changes in Customer Preferences, and Industry trends to meet customers' demands and any variations in the Government Regulations/policies or Technology Upgradation is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our Business.

Changes in Customer Preferences, Regulatory or Industry requirements, variation in any of the Government policies or Competitive Technologies may render certain of our products obsolete or less attractive. Since our Business is Customer centric, our ability to anticipate changes in Technology and Regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our Business and our Results of Operations may be adversely affected. We are also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the industry, we must be able to produce new products to meet our customers' demands in a timely manner. Our failure to successfully produce new products could materially and adversely affect our Results of Operations.

14. We do not have long-term agreements with suppliers for our raw materials and any shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations.

Our business is significantly affected by the availability and cost of the raw materials with which we need to develop our products. Our principal raw materials include Aluminium Sheets. We usually do not enter into long-term supply contracts with any of our raw material suppliers. Our raw materials are majorly procured in the domestic market from Dadra & Nagar Haveli, Gujarat, Maharashtra, Rajasthan and Uttar Pradesh and the prices and supply of these raw materials depend on factors beyond our control, including general economic conditions, competition, transportation costs and capital market fluctuations both domestic and international. If for any reason, our suppliers of raw materials and components should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet the requirements of our customers could be impaired and our earnings and business could suffer. Further, we may not be able to pass on any increase in the cost of manufacturing our products to our customers which may adversely affect our results of operations.

15. Pressure from Customers with regards to pricing may affect our Gross Margins, Profitability and ability to Increase our Prices.

Our customers negotiate for larger discounts in price of our products as the volume of their orders increase. Pursuing cost cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our Business, Results of Operations and Financial Condition.

In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain Profitability. Such price reductions may affect our Sales and Profit Margins. If we are unable to offset Customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our Business, Results of Operations and Financial Condition may be materially adversely affected.

Additionally, our Business is engaged in bulk manufacturing of products, with high-cost capital expenditure involved in the Business. Therefore, our Profitability is dependent, on our ability to recover the fixed costs over higher sales volume. If we are unable to generate sufficient production cost savings in the future to offset price reductions or if there is any reduction in demand for our products, which will result in decreased sales, our Gross Margin and Profitability may be materially adversely affected.

16. *Improper storage, processing and handling of our raw materials, work products and finished products could damage our inventories and, as a result, have an adverse effect on our business, results of operations and cash flows.*

We typically store our raw materials, work-in-progress, stock in trade and finished goods in covered warehouses. In the event that our raw materials, work products and finished products are improperly stored, processed and handled, the quality of our raw materials could be reduced and our work products could be damaged. As a result, our production outputs could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

17. *We regularly work with activities in our operation which can be dangerous and could cause injuries to people or property.*

Our business requires individuals to work under dangerous circumstances. For example, moving machineries can seriously injure employees or other persons, and cause damage to our properties and the properties of others. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks.

These hazards can cause personal injury and loss of life or destruction of property and equipment as well as environmental damage. In addition, the loss or shutting down of our facilities resulting from any accident in our operations could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation filed on behalf of persons alleging injury predominantly due to occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, financial condition, results of operations and cash flows could be adversely affected.

18. *If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.*

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked (either inadvertently or willfully), at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development, we cannot guarantee that we will be able to successfully enforce such agreements. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the pharmaceutical manufacturing sector could be compromised. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

19. *We have previously engaged in related party transactions and may continue to do so in the future. However, there is no assurance that we will be able to secure more favorable terms in such transactions compared to those with unrelated parties.*

We have entered into transactions with our related parties in the ordinary course of business and may continue to do so in the future. These transactions include, among others, sales and purchases, loans and advances. While such transactions were entered into during the financial year were on an arm's length basis and were in the

ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of SEBI LODR Regulations, they may involve inherent risks. There can be no assurance that all such transactions have been or will be on terms that are more favourable, or as favourable, as those that could have been obtained from unrelated third parties. Further, there is a potential risk of conflict of interest, perception of preferential treatment, or non-arm's length dealings, which could adversely impact our business, financial condition, and reputation. In addition, if we extend credit or loans to related parties, we may be exposed to risks of delayed recovery, default, or write-offs, which could adversely affect our financial results.

We strive to ensure that all related party transactions are conducted in compliance with Companies Act, 2013 and SEBI LODR Regulations. We enter into related party transactions from time to time. If we extend loans or advances, or purchases or sales to related parties, we may face risks related to defaults or non-recovery. There is no assurance that we will be able to secure more favourable terms for such transactions if conducted with unrelated parties.

20. Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.

As on March 31, 2025, we had short-term borrowings of Rs. 1,782.01 Lakhs from Bank of India, DBS Bank, Aditya Birla Finance, Bajaj Finance, L & T Finance and Tata Capital 4. In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our properties or even sell our properties. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet such obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

21. Our Company has availed unsecured loans from non-banking financial companies("NBFC"), which may be recalled on demand.

For the financial year ended March 31, 2025, we have outstanding unsecured loan amounting to ₹ 1,782.01 Lakhs as unsecured loans from non-banking financial companies, which are repayable on demand to the relevant lenders. These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, we may be required to repay the entirety of the unsecured loans together with accrued interest. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow.

22. We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

23. *The success of our business relies on the expertise of our employees including key managerial personnel, and senior management, as well as our ability to attract, train, and retain skilled employees.*

The continued success of our business is significantly dependent on the knowledge, expertise, and experience of our employees, particularly our key managerial personnel, senior management, and technical staff. Their contributions have been instrumental in driving our operational performance, consistent profitability, and maintaining a strong liquidity and capital position. Our future growth and competitiveness will depend on our ability to attract and retain qualified professionals, particularly in the areas of operations and manufacturing.

We face challenges in recruitment and retention due to increasing competition, better opportunities in the market, and industry-specific factors. If we are unable to attract or retain qualified personnel, our ability to execute business strategies, deliver high quality products, and expand into new markets could be compromised. Additionally, the departure of key personnel without timely and adequate replacement could disrupt our operations, delay projects, and result in increased training and hiring costs. We would also need to ensure that new hires are properly trained and integrated into our internal control systems and risk management framework, failure of which could impact operational efficiency and compliance.

Furthermore, any labour unrest, strikes, or agitations involving our employees may result in production halts, delivery delays, and reputational damage. Such disruptions could lead to increased costs, lowered employee morale, and strained customer relationships. Although we strive to maintain a harmonious work environment and address employee concerns proactively, there is no assurance that such disputes can be prevented or resolved in a timely manner. However, we confirm that there have been no incidents of labour unrest, strikes, or employee agitations affecting our operations during the last three financial years. While this track record reflects positively on our employee relations, it does not preclude the risk of such events occurring in the future.

24. *We have a very limited operating history of our manufacturing operations, which may make it difficult for investors to evaluate our historical performance or future prospects.*

Our Company was originally formed and registered as a Limited Liability Partnership in the name and style of “GSM Foils LLP” on April 05, 2019. Later, “GSM Foils LLP” was converted from a Limited Liability Partnership to a Private Limited Company under Companies Act, 2013 with the name of “GSM Foils Private Limited” and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre on June 27, 2023 and thereafter the Private Limited Company was converted into Public Limited Company “GSM Foils Limited” pursuant to the fresh a certificate of incorporation dated September 04, 2023 issued by Registrar of Companies, Mumbai. Our manufacturing operations started in 2019, thus we have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are also difficult to estimate and could fluctuate significantly and as a result the price of our equity shares may be volatile.

25. *We are subject to various laws and extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required in the ordinary course of our business, including environmental, health and safety laws and other regulations, our business financial condition, results of operations and cash flows may be adversely affected.*

We are required to comply with Indian laws, among other things, relating to occupational health and safety (including laws regulating the generation, storage, handling, use and transportation of waste materials, and the health and safety of employees) and mandatory certification requirements for our facilities and products. There can be no assurance that we will be in compliance at all times with such laws, regulations and the terms and conditions of any such consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. Our business and operations are subject to a number of approvals, licenses, registrations and permissions for construction and operation of our manufacturing facility in addition to extensive government regulations for the protection of the environment and occupational health and safety. We have either made or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. Further, we may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We cannot assure you that these approvals will be granted by the relevant authorities. In the event these approvals are not granted, we will have to make alternate manufacturing arrangements including

increasing production in our other existing manufacturing facility, which may adversely impact our business, financial condition, results of operations, cash flows and prospects.

If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations, cash flows and prospects may be adversely affected. Further, our government approvals and licenses are subject to certain conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claim that we have not complied with such conditions, our business, prospects, financial condition, results of operations and cash flows may be adversely affected. There can be no assurance that other environmental and safety allegations will not be made against us in the future. The relevant regulator may order closure of our unit where it is found to be non-compliant with the applicable norm. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition, results of operations or cash flows. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant environmental costs or liabilities in the future. In addition, we may be subject to additional laws, regulations and rules with respect to environment protection, health and safety in the jurisdiction we currently operate. Our inability to control the costs involved in complying with these and other relevant laws and regulations could have an adverse effect on our business, financial condition, results of operations and cash flows.

26. The present promoter of the Company are first generation entrepreneurs.

Our present Promoters are first generation entrepreneurs. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot be sure that this will not affect our business growth. Although our Promoters have experience of around 6 years in our Company in pharmaceutical packaging industry.

27. Our insurance coverage may not adequately protect us against all material hazards.

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances, and are subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us, or that such coverage will continue to be available on reasonable terms, or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

28. Our Fiscal 2025 Audited Financial Statements has not yet been placed before our Shareholders in a general meeting.

Pursuant to a resolution dated May 08, 2025, our Board approved the Fiscal 2025 Audited Financial Statements. In terms of Section 134(3) of the Companies Act, 2013, as amended, read with Rule 8 of Companies (Accounts) Rules, 2014, as amended, a board report on the reporting period which shall be placed before our Shareholders in a general meeting. Our Company, in due course will hold its annual general meeting for the year ended March 31, 2025 and place our Fiscal 2025 Audited Financial Statements, before our Shareholders. The link where of such financial statements has been included in this Letter of Offer, shall remain subject to adoption, remarks and observations of our Shareholders, if any.

29. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid any dividend since incorporation. The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors and will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not

indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. Investors should consult their own tax advisors about the consequences of investing in or trading in Equity Shares.

Issue Related Risk

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

The Equity Shares that you may be Allotted in this Issue may not be credited to your demat account with the depository participants until approximately two days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. We cannot assure you that the Equity Shares allocated to you will be credited to your demat account, or that trading in such Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 31. *Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

In terms of the SEBI ICDR Regulations, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

- 32. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

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

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renouncees may not be able to apply in case of failure of 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 Issue with respect to such Rights Entitlements.

34. *Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.*

We will not distribute the Issue Material to the shareholders who have not provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In the case that Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Materials, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

35. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded NSE EMERGE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

36. *The Rights Equity Shares may experience price and volume fluctuations.*

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the stock exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

37. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a

decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

38. *Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.*

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

39. *Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.*

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

40. *There are significant differences between Indian GAAP, Ind AS, and other accounting standards such as IFRS and U.S. GAAP, which may affect investors' assessment of our financial position.*

We have not quantified the impact of U.S. GAAP or IFRS on our financial data, nor have we provided a reconciliation of our financial statements to these standards. As U.S. GAAP and IFRS differ significantly from Ind AS and Indian GAAP, the relevance of our financial statements in this document largely depends on the reader's familiarity with Indian accounting practices. Therefore, those not familiar with Indian accounting standards should limit their reliance on the financial information presented.

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

Under the current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Additionally, a securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realized on the sale of listed equity shares on the stock exchanges held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹125,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 12.50% (plus applicable surcharge and cess). This beneficial provision is, *inter alia*, subject to payment of STT. Further, any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 12.50% (plus applicable surcharge and cess).

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India at the rate of 20.00% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Rights Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a

treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Rights Equity Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Rights Equity Shares.

42. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US dollar and other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

43. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian 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 in another jurisdiction. In accordance with the provisions of the Companies Act 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 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.

44. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

SECTION IV: CONFIRMATIONS

A. COMPLIANCE WITH THE SEBI LODR REGULATIONS, 2015

Our Company is compliant with the requirements of Equity Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

B. REDRESSAL OF INVESTOR COMPLAINTS

Our Company has redressed all the complaints received from the investors until the end of the quarter immediately preceding the month of the date of filing this Letter of Offer.

C. IMPACT OF SEBI PROCEEDINGS

Our Company, our Promoters, Managing Directors or Whole Time Director have neither received any show cause notices from SEBI nor its Adjudicating Officers for imposition of any penalty. Further, there are no prosecution proceedings which have been initiated by SEBI against our Company, our Promoters, Managing Directors or Whole Time Director.

In view of the same, there is no potential adverse impact on our Company.

**D. SUSPENSION OF TRADING IN EQUITY SHARES OF OUR COMPANY ON ACCOUNT OF
DISCIPLINARY REASONS**

The trading in equity shares of our Company have not been suspended on account of any disciplinary measure during last three years immediately preceding the date of filing of this Letter of Offer.

SECTION V: INTRODUCTION

A. GENERAL INFORMATION

Registered Office of our Company

GSM Foils Limited

Gala No. 06/106/206/306, Sapphire Building, Diamond Industrial Estate,
Vasai East IE, Thane, Vasai, Maharashtra- 401208, India.

Tel No: +9184689 68102

Email: investors@gsmfoils.com

Website: www.gsmfoils.com

Corporate Identity Number: L43303MH2023PLC405459

Company Secretary and Compliance Officer

Pratik Mukeshbhai Makwana is our Company Secretary and Compliance Officer. His contact details are as follows:

Pratik M Makwana

Gala No. 06/106/206/306, Sapphire Building, Diamond Industrial Estate,
Vasai East IE, Thane, Vasai, Maharashtra- 401208, India.

Tel No: +9184689 68102

Email: investors@gsmfoils.com

Website: www.gsmfoils.com

Statutory Auditors of our Company

M N C A & associates

Chartered Accountants

F16, Valmiki Nagar, Near Abhilasha Char Rasta,

New Sama Road, Vadodara -390008

Tel: 9998782887

Email: contact@mnca.co.in

Contact Person: Nishit Pabari

Firm Registration No.: 100586W

Peer review Certificate No.: 015810

Registrar to the Issue and Company

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
MahakaliCaves Road, Andheri East, Mumbai – 400 093, Maharashtra, India

Contact Details: +91-022-62638200

Fax No: +91-022-62638299|

E-mail: rightsissue@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

Depository Participant

National Securities Depository Limited.

Address: 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai,
Maharashtra - 400 051.

Tel: 022-6848 8400 / 022-6848 8515

Email: equityca@nsdl.com

Website: www.nsdl.co.in

SEBI Registration No: IN-DP-NSDL-89-99

Central Depository Services (I) Limited.

Address: Marathon Futorex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

Tel: 1800-21-09911

Email: complaints@cdslindia.com

Website: www.cdslindia.com

SEBI Registration No: IN-SD-CDSL-02-98

Bankers to the Issue / Refund Bank

Kotak Mahindra Bank Limited

Intellion Square, 501, 5th Floor, A Wing,
Infinity IT Park, Gen. A.K. Vaidya Marg,
Malad – East, Mumbai 400097

Tel: 022-66056603

Email: cmsipo@kotak.com

Website: www.kotak.com

Contact Person: Siddhesh Shirodkar

SEBI Registration No.: INBI00000927

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. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted

Credit Rating

As this is a Rights Issue of Equity Shares, the details of Credit Rating are not applicable.

Debenture Trustee

As this is a Rights Issue of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Our Company has appointed Infomerics Valuation & Rating Ltd to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Infomerics Valuation and Rating Limited

Office No. 1102–1104, B-Wing,
Kanakia Wall Street, Off Andheri-Kurla Road,
Andheri East, Mumbai – 400093, India

Contact Person: Ankush Nimbalkar

Tel: +91 95274 74543

Email: ankush.nimbalkar@infomerics.com

Website: www.infomerics.com

SEBI Registration No.: IN/CRA/007/2015

Underwriting

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

Filing

The Letter of Offer and Letter of Offer have been filed with Stock Exchanges. The Letter of Offer will also be submitted with the Corporate Finance Department, SEBI, for information and dissemination.

B. CAPITAL STRUCTURE

The equity shares capital of our Company as at the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below.

(In ₹ lakhs, except share data)

S.N.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital*		
	1,80,00,000 Equity Shares of ₹10.00 each	1,800.00	NA
B	Issued, Subscribed and Paid-up Share Capital Before the Issue		
	1,28,11,649 Equity Shares of ₹10.00 each	1218.16	NA
C	Present Issue in Terms of this Letter of Offer ⁽¹⁾		
	12,81,165 Right Equity Shares, each at a premium of ₹ 170/- (Rupees One Hundred and Seventy only) per Right Equity Share, at an Issue Price of ₹ 180/- (Rupees One Hundred and Eighty only) per Rights Equity Share ⁽²⁾	128.12	2,306.10
D	Issued, Subscribed and Paid-up Equity Share Capital After the Issue ⁽³⁾⁽⁴⁾		
	1,40,92,814 Equity Shares	1,409.28	NA
E	Securities Premium Account		
	Before the Issue as on March 31, 2025		740.59
	After the Issue ⁽³⁾		2918.57

(1) & (2) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on August 07, 2025.

(2) On Application, Investors will have to pay ₹180.00 per Rights Equity Share which constitutes 100% of the Issue Price.

(3) Assuming full subscription for and Allotment of the Rights Equity Shares.

(4) Subject to finalization of Basis of Allotment.

Holdings of our Promoters & Promoter Group as on June 30, 2025

The statement showing holding of the Equity Shares of the persons belonging to the category of the “Promoters and Promoter Group” including details of lock in, pledge and encumbrances, if any” as on June 30, 2025, can be accessed on the website of the Stock Exchanges at (www.nseindia.com)

Shares acquired by our Promoters and Promoter Group

No Equity Shares have been acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Stock Exchange.

Ex Rights Price

The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers Regulation), 2011 is ₹ 180.41/- per equity share.

Shareholding Pattern

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

1. The statement showing holding of the Equity Shares as on June 30, 2025 can be accessed on the website of the NSE at (<https://www.nseindia.com/get-quotes/equity?symbol=GSMFOILS>)

2. The statement showing holding of the Equity Shares of the persons belonging category to the “*Promoters and Promoter Group*” as on June 30, 2025, can be accessed on the website of the NSE at (<https://www.nseindia.com/get-quotes/equity?symbol=GSMFOILS>)
3. The statement showing holding of the Equity Shares of persons belonging to the category “*Public Shareholders*” as on June 30, 2025, can be accessed on the website of the NSE at (<https://www.nseindia.com/get-quotes/equity?symbol=GSMFOILS>)
4. The statement showing holding of the Equity Shares of persons belonging to the category “*Non - Promoter-Non-Public Shareholder*” as on June 30, 2025 can be accessed on the website of the NSE at (<https://www.nseindia.com/get-quotes/equity?symbol=GSMFOILS>)
5. The statement showing holding of the Equity Shares of persons belonging to the category “*Trading Members*” holding more than 1% or more of the Total Shares as on June 30, 2025, can be accessed on the website of the NSE at (<https://www.nseindia.com/get-quotes/equity?symbol=GSMFOILS>)
6. As on the date of this Letter of Offer, following shareholders hold more than 1% of the total number of Equity Shares:

Sr. No.	Name	Category	No of Equity Shares held	% of Pre-Issue Capital
1.	Mohansingh Laxmansingh Parmar	Promoter	49,02,588	38.27%
2.	Sagar Girish Bhanushali	Promoter	44,67,681	34.87%

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

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

Notes to Capital Structure

Our Company has 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

SECTION VI: PARTICULARS OF THE ISSUE

A. OBJECTS OF THE ISSUE

The Issue comprises of 12,18,165 Rights Equity Shares of face value of ₹ 10 each for a cash price at ₹ 180.00 per Rights Equity Share (including a premium of ₹ 170.00 per Rights Equity Share) aggregating to ₹ 2,306.10 lakhs. For further details, see “*Summary of this Letter of Offer*” on page 17.

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

1. Funding the Working Capital requirement of our Company
2. General Corporate Purposes.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company: (i) our existing activities; (ii) the activities for which the funds are being raised by our Company through this Issue; and (iii) to undertake activities for which funds earmarked towards general corporate purposes shall be used.

Issue Proceeds

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

(₹ in Lakhs)	
Particulars	Amount
Gross Proceeds from the Issue [#]	2,306.10
Less: Estimated Issue related Expenses	17.54
Net Proceeds from the Issue	2,288.56

[#] Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.

Requirement of Funds and Utilisation of Net Proceeds

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

(₹ in Lakhs)		
Sr. No.	Particulars	Amount*
1.	Funding the working capital requirements of our Company	2000.00
2.	General Corporate Purposes	288.56
	Total Net Proceeds	2,288.56

* Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio;

Proposed Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)			
Sr. No.	Particulars	Amount proposed to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2026
1.	Funding the working capital requirement of our Company	2,000.00	2,000.00
2.	General Corporate Purposes	288.56	288.56
	Total Net Proceeds*	2,288.56	2,288.56

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;

Our Company plans to deploy the funds towards the above stated Objects depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year, subject to compliance with applicable laws. Further, at present we propose to deploy the entire Net Proceeds towards the Objects as described herein during Financial Year F.Y. 2025-26 as stated in the table above.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, Environmental conditions and relation with foreign countries which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal FY 2025-26. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year i.e., Fiscal 2026-27, as may be determined by our Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. The fund requirements for the Objects are proposed to be funded from the Net Proceeds, existing identifiable internal accruals and funding from our bankers and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of Finance

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company shall utilise its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there is no requirement 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 Fresh Issue and existing identifiable accruals, as prescribed under Regulation 62(1)(c) of the SEBI ICDR Regulations and Paragraph XII(E)(1) of Part B of Schedule VI of the SEBI ICDR Regulations.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, as indicated above, are based on our current business plan and circumstances, management estimates, prevailing market conditions and other commercial and technical factors, which are subject to change from, time to time. These fund requirements have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its funding requirements and deployment on account of a variety of factors, including but not limited to our financial and market condition, business and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to applicable law.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to availability and compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking additional equity and/or debt arrangements from existing and future lenders or any combination of them. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for (i) general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes

will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations; or (ii) towards any other object where there may be a shortfall, at the discretion of the management of our Company and in compliance with applicable laws.

In the event the Net Proceeds are not completely utilised for the objects stated above by the end of Financial Year 2025-2026, such amounts will be utilised (in part or full) in subsequent periods, as determined by our Company, in accordance with applicable law. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Details of the Objects of the Issue

The details in relation to Objects of the Issue are set forth herein below:

1. Funding the working capital requirement of our Company

Our business is predominantly working capital intensive and requires working capital as it grows. In past, we have funded our working capital requirements in the ordinary course of our business from equity funding, internal accruals and debt. We propose to utilize ₹ 2,000.00 lakhs from Net Proceeds to fund the incremental working capital requirements of our Company in Fiscal 2025-26 as per Board Resolution dated August 07, 2025. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and working capital loan from banks and financial institutions. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, customer demands and preferences, foreseeable opportunity. Consequently, our fund requirements may also undergo change.

Our Company is engaged in the manufacturing of Blister Foils and Aluminium Pharma Foils (also known as Strip Foils), which are primarily used in the packaging of pharmaceutical products.

In line with our growth strategy, our Company has recently launched new product Laminated Tubes (Lami Tubes) and improved sales of Alu-Alu Foils two new products Alu-Alu Foils and Laminated Tubes (Lami Tubes) which are also used extensively in the pharmaceutical industry. We have successfully executed sample sales for these new products and have received vendor confirmations from customers, indicating strong potential for future orders.

At present, our Company is operating at approximately 70% of its total installed capacity, constrained by the availability of working capital. In order to scale up operations and utilize our installed capacity to the fullest, additional working capital funding is required.

Moreover, the recent introduction of new product necessitates maintaining inventories of finished goods to ensure availability for our customers. This will require additional working capital, which is essential for establishing market presence and driving customer acquisition for the new product lines.

Additionally, we have outlined a plan for organic growth, which includes expanding market reach and enhancing operational capabilities all of which will require increased working capital support.

Details of Existing Working Capital requirements:

The details of our Company's working capital as at March 31, 2025 and March 31, 2024 derived from Audited Financial Statements, and source of funding of the same are provided in the table below:

(₹ in Lakhs)

Particulars	Audited	
	March 31, 2024	March 31, 2025
Current assets		
Inventories	1,023.45	1,886.04
Trade Receivables	723.46	3,376.64

Short Term Loans & Advances	85.91	37.65
Other Current Assets	41.30	281.34
Total Current Assets (I)	1,874.12	5,581.67
Current Liabilities		
Trade Payables	262.40	736.44
Other Current Liabilities	15.84	35.61
Short Term Provisions	73.34	460.16
Current Liabilities (II.)	351.58	1,232.21
Total WC Gap (III)=[(I)-(II)]	1,522.54	4,349.46
Source of Funds:		
IPO Proceeds	Nil	705.66
Short Term Borrowings and Internal Accrual	1,522.54	3643.80

The working capital details as at March 31, 2025 and March 31, 2024 and source of funding has been certified by our statutory auditor, M N C A & Associates., Chartered Accountants, pursuant to their certificate dated August 07, 2025

Basis of estimation of long-term working capital requirement:

On the basis of the existing working capital requirements, the Board of directors pursuant to its resolution dated August 07, 2025 has approved the estimated and projected non-cash working capital requirements for Fiscal 2026 as set forth below:

(₹ in Lakhs)

Particulars	Estimated March 31, 2026
Current assets	
Inventories	3,884.83
Trade Receivables	5,133.62
Short Term Loans & Advances	86.22
Other Current Assets	380.70
Total Current Assets (I)	9,485.37
Current Liabilities	
Trade Payables	1,265.84
Other Current Liabilities	66.41
Short Term Provisions	557.03
Current Liabilities (II.)	1,889.28
Total WC Gap (III)=[(I)-(II)]	7,596.09
Source of Funds:	
Right Issue Proceeds	2,000.00
Short Term Borrowings and Internal Accrual	5,596.09

The estimated working capital details as at March 31, 2026 and source of funding has been certified by our statutory auditor, M N C A & Associates., Chartered Accountants, pursuant to their certificate dated August 07, 2025.

Key assumptions for working capital projections made by our Company:

To meet the growing demand from our existing customers and to cater to the requirements of new customers for both our existing and newly launched product, we aim to maximize the utilization of our manufacturing capacity across all product categories.

We believe that increasing our investment in working capital will enable us to fully leverage our existing installed capacity, allowing us to effectively respond to rising demand from both current and potential customers. Our focus remains on maintaining high levels of capacity utilization to align with anticipated market growth.

Furthermore, the expansion of our product portfolio supports our ongoing efforts to diversify our business. By offering a wider range of product positions us to serve the varied needs of multiple customer segments, enhancing our ability to adapt to changing market dynamics and strengthening our competitive edge.

The table below sets forth the details of holding levels (in days) Fiscal 2025 and Fiscal 2024 as well as estimated for Fiscal 2026:

Particulars	Audited		Estimated
	Fiscal 2024	Fiscal 2025	Fiscal 2026
Average Inventory Days (A)	87	47	44
Average Trade Receivable Days (B)	63	56	53
Average Trade Payable Days (C)	25	16	14
Average Working Capital Cycle Days (A+B-C)	125	87	83

The assumptions for working capital as at March 31, 2025, March 31, 2024, estimated period March 31, 2026 and source of funding has been certified by our statutory auditor, M N C A & Associates., Chartered Accountants, pursuant to their certificate dated August 07, 2025.

Justification for increase in working capital requirement

Particulars	Justification
Inventory	<p>Inventory held by our Company comprises both raw materials and finished goods. In Fiscal 2024, our Company reported inventory days of approximately 87 days, which decreased significantly to around 47 days in Fiscal 2025. The elevated inventory levels in FY 2024 were primarily driven by our Company's strategic decision to stock aluminium worth approximately ₹600.00 lakhs at the end of March 2024, in anticipation of a price increase. This move was intended to capitalize on potential profit opportunities arising from the expected rise in aluminium prices.</p> <p>Looking ahead to Fiscal 2026, our Company expects to maintain inventory levels in the range of 45–50 days. This is mainly due to the recent trend of monthly price revisions in aluminium, our Company's key raw material, which typically fluctuate on the 1st of every month. To mitigate price volatility and ensure uninterrupted production, our Company plans to maintain raw material inventory sufficient to cover minimum stock requirements and lead times for delivery.</p> <p>Given that both existing and newly introduced product require a conversion cycle of just one day, the finished goods inventory is maintained at an average of 5 days, supporting a lean and efficient production and delivery system by keeping average inventory days at 45-50 days.</p>
Trade Receivable Days	<p>Our Company has demonstrated consistent improvement in the management of its trade receivables. In Fiscal 2024, the average receivable period stood at 63 days, which reduced to 56 days in Fiscal 2025. Our Company estimates maintaining this level in Fiscal 2026, with receivable days expected to remain within the range of 50–60 days.</p> <p>This improvement is largely attributed to our Company's sustained relationships with existing customers, allowing it to offer a favourable credit period while managing cash flows efficiently. Given the increasing competition and the entry of new players in the market, our Company has strategically balanced its credit terms to retain and support key customers.</p> <p>As our Company introduces new product into its portfolio, it anticipates the need to extend competitive credit terms to customers and dealers in order to support market acceptance and penetration. Accordingly, our Company plans to maintain trade receivable days in the</p>

	range of 50–60 days going forward, ensuring both customer satisfaction and working capital stability.
Trade Payable Days	<p>Our Company primarily procures raw materials by making advance payments or under short credit terms, with a maximum credit period of 15 days. In Fiscal 2024, trade payable days stood at 25 days, which reduced to 16 days in Fiscal 2025. Our Company expects to maintain trade payable days at around 15 days in Fiscal 2026, while continuing to negotiate better rates and benefiting from cash/trade discounts offered by suppliers.</p> <p>The combination of shorter credit periods and increased procurement volumes is expected to strengthen our relationships with suppliers, allowing us to secure more favorable pricing. This, in turn, will enhance our ability to offer competitive pricing to our customers.</p> <p>As our Company expands operations, raw material purchases are projected to increase, leading to a moderate rise in trade payables in absolute terms.</p>
Short Term Loans & Advances	Short-term loans and advances primarily comprise prepaid expenses, balances with revenue authorities, and other operational receivables. These balances are expected to increase proportionately with the growth in our Company's scale of operations and the corresponding increase in revenue. As business activity expands, associated operational expenses and statutory balances are also likely to rise in line with the overall growth trajectory.
Other Current Assets	Other current assets primarily consist of advances paid to suppliers for raw materials. These are expected to increase in line with our Company's operational scale and the anticipated growth in revenue. As production volumes rise, the need for securing timely raw material supply will lead to a corresponding increase in supplier advances, ensuring continuity and efficiency in the procurement cycle.
Other Current Liabilities	Other current liabilities primarily comprise advances received from customers and expenses payable. These liabilities are expected to increase proportionately with the growth in our Company's operations and revenue.
Short Term Provisions	Short-term provisions primarily consist of provisions for income tax, outstanding GST liabilities, and statutory dues such as ESIC and PF payables. These provisions are expected to increase in line with our Company's operational scale, driven by the growth in revenue and profitability (PAT).

It is noteworthy that despite an increase in overall working capital requirements, our Company has demonstrated a consistent decline in average inventory days, trade receivables, and trade payables, reflecting an overall improvement in working capital efficiency.

The working capital cycle has reduced significantly from 125 days in Fiscal 2024 to 87 days in Fiscal 2025, and is further expected to improve to 80–85 days in the coming fiscal year. This positive trend highlights our Company's ability to manage its funds efficiently, with optimal allocation across key components of working capital.

The improved working capital churn ratio indicates the effective utilization of available funds, enabling our Company to support higher levels of operation without proportionately increasing the working capital burden. This efficiency reinforces our Company's strong operational discipline and financial management practices.

2. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ 288.56 Lakhs towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth,

including, amongst other things, investments for inorganic growth, capital expenditure, funding growth opportunities, including strategic initiatives, meeting our working capital requirements, payment of principal, interest on borrowings, and, meeting of exigencies which our Company may face in its course of the business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Appraisal of the Objects

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank, financial institution or any other external agency.

Bridge Financing Facilities

Our Company has not raised any bridge loan or through other financial arrangement from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Details of balance Fund Deployment

Our Company proposes to deploy the entire Gross Proceeds towards the Objects described herein above during Fiscal 2025-2026.

Interim Use of Funds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Expenses for the Issue

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)			
Activity	Estimated Expense	% of Estimated Issue Expenses	% of Estimated Issue Size
Brokerage, selling commission and upload fees	0.50	2.85%	0.02%
Fees of Registrar to the Issue	5.00	28.51%	0.22%
Advertising and marketing expenses	2.07	11.80%	0.09%
Regulators including stock exchanges	8.72	49.71%	0.38%
Printing and distribution of issue stationary	0.50	2.85%	0.02%
Other expenses (including Fees of Professionals, Auditor's fees, Depositories Fees and other miscellaneous expenses.)	0.75	4.28%	0.03%
Total estimated Issue expenses	17.54	100.00%	0.76%

Notes:

1. Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.
2. Excluding taxes.
3. Assuming full subscription.

Strategic and/ or Financial Partners

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

Monitoring of Utilization of Funds

Our Company has appointed Infomerics Valuation & Rating Limited as the Monitoring Agency to monitor utilization of proceed from the Issue, prior to filing the Letter of Offer, including the proceeds proposed to be utilised towards general corporate purposes in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI LODR Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by our Statutory Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects.

This information will also be published on our website and explanation for such variation (if any) will be included in our directors' report, after placing it before the Audit Committee.

Key Industry Regulations for the Objects of the Issue

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

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

No part of the proceeds of the Issue will be paid by us to the Promoters, Promoter Group and the Directors, except as stated above and in the normal course of business and in compliance with applicable.

Our Promoters, our Promoters Group and our Directors do not have any interest in the Objects of the Issue. There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Promoter Group, our Directors.

B: STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS FOR ISSUER AND ITS SHAREHOLDERS

To
The Board of Directors,
GSM Foils Limited
Gala No 06/106/206/306, Sapphire Building,
Diamond Industrial Estate, Vasai (E),
Palghar - 401208, Maharashtra

Dear Sir/Madam,

**Sub: Statement of possible special direct tax benefits available to “GSM Foils Limited ” (“the Company”),
and its shareholders – (“The Statement”)**

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders under the Income Tax Act, 1961 (“Act”) as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the Conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

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

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

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct, we will not be liable to any other person in respect of this Statement.

For M N C A & associates
Chartered Accountants
FRN:- 100586W
SD/-

Nishit Pabari
M. No.: 149385
UDIN: 25149385BMIQAB5033
Date: August 07, 2025
Place: Mumbai

Statement of Special Tax Benefits available to the company and its shareholders under the Income Tax Act, 1961 and other direct tax laws presently in force in India

Special Tax Benefits:

Benefits available to the Company – There are no special tax benefits available to the Company.

Benefits available to the Shareholders – There are no special tax benefits available to the shareholders for investing in the proposed rights issue of shares of the company.

SECTION VII: OUR MANAGEMENT

Board of Directors

As on the date of this Letter of Offer, our Company has 5 (Five) directors, comprising of 1(One) Chairman & Whole-time Director, 1 (One) Managing Director, and 3 (Three) Independent Directors inclusive of one-woman Independent Director. The present composition of our Board of Directors and its committees is in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

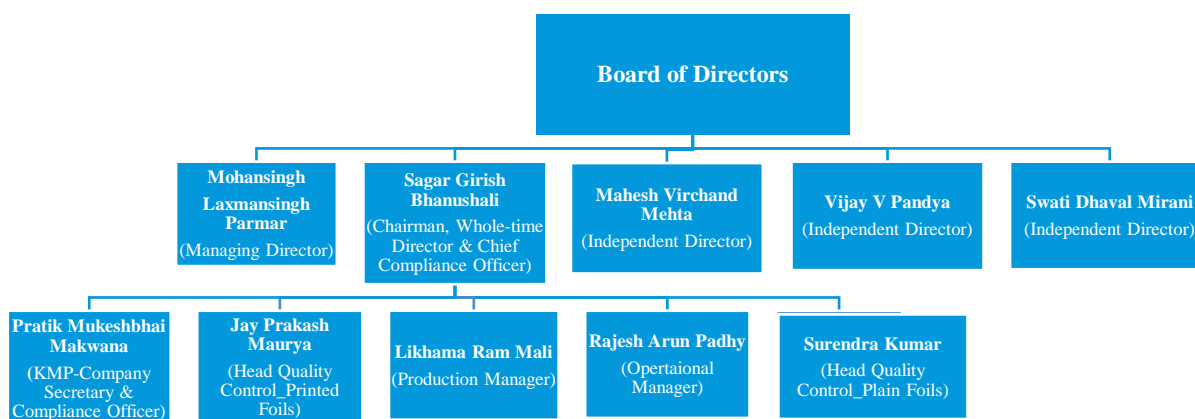
The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, Designation, Address, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other directorships
Sagar Girish Bhanushali Designation: Chairman & Whole-time Director Address: Room No. 1, Floor 1, Jaynarayan Chawl, Aarey Road, Above Ratnamani Jeweller, Goregaon East S. O, Mumbai – 400063, Maharashtra, India. Occupation: Business Date of Birth: May 22, 1995 Date of Appointment: Since incorporation Term: Change in Designation as Chairman and Whole-time Director for a period of 5 (five) years with effect from December 14, 2023. Date of Expiration of the Current Term: December 13, 2028. DIN: 09126902	30	Nil
Mohansingh Laxmansingh Parmar Designation: Managing Director Address: A 901, 902, Laxmi Residency, Behind Vitthal Mandir, Waliv, Vasai East, Vasai, Palghar – 401208, Maharashtra, India. Occupation: Business Date of Birth: May 03, 1982 Date of Appointment: Since incorporation Term: Designated as Managing Director for a period of 5 (five) years with effect from December 14, 2023. Date of Expiration of the Current Term: December 13, 2028	43	Nil

Name, Designation, Address, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other directorships
DIN: 08413828		
Mahesh Virchand Mehta Designation: Independent Director Address: Flat No. 2, Sanman CHS Plot – 93, Model Town, Near Gyankendra School, Andheri West, Azad Nagar, Mumbai – 400053, Maharashtra, India. Occupation: Retired Date of Birth: April 25, 1961 Date of Appointment: December 14, 2023 Term: Appointment as Independent Director for a period of 5 (five) years with effect from December 14, 2023 Date of Expiration of the Current Term: December 13, 2028 DIN: 09325268	64	Nil
Vijay Venilal Pandya Designation: Independent Director Address: C-310 Om Shreenath Kunj Co. Op. Housing Society, Carter Road No. 2, Opp Jagruti Hall, Borivali East S. O., Mumbai – 400066, Maharashtra, India. Occupation: Retired Date of Birth: November 27, 1958 Date of Appointment: December 14, 2023 Term: Appointment as Independent Director for a period of 5 (five) years with effect from December 14, 2023. Date of Expiration of the Current Term: December 13, 2028 DIN: 10420959	66	Nil
Swati Dhaval Mirani Designation: Independent Director Address: Derasar Street, Darbar Gadh, Morvi, Morbi Mdg – 363641, Gujarat, India. Occupation: Service Date of Birth: February 01, 1989	36	Nil

Name, Designation, Address, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other directorships
Date of Appointment: February 19, 2024 Term: Appointment as Independent Director for a period of 5 (five) years with effect from February 19, 2024. Date of Expiration of the Current Term: February 18, 2029 DIN: 10449509		

Organizational Structure



SECTION VIII: FINANCIAL INFORMATION

The Audited Financial Statements of our Company for the year ended March 31, 2025 and March 31, 2024, can be accessed on the website of our Company at (<https://www.gsmfoils.com/>). The following table provides a summary of the Audited Financial Results for the years ended March 31, 2025 and March 31, 2024:

(₹ in Lakh, except share data)

Particulars	Financial Year ended March 31, 2025	Financial Year ended March 31, 2024
Total Income from Operations	13,379.99	5174.95
Net Profit/Loss Before Tax and Extraordinary Items	1,362.82	258.33
Net Profit/Loss After Tax and Extraordinary Items	965.10	187.94
Equity Share Capital	1,281.17	937.17
Reserves and Surplus	1,843.08	166.09
Net Worth	3,124.25	1,103.26
No. of Shares (Equity)	1,28,11,649	93,71,649
Basic Earnings Per Share (₹)	7.53	2.01
Diluted Earnings Per Share (₹)	7.53	2.01
Return on Net Worth (%) <i>Note 1</i>	30.89%	17.03%
Net Asset Value Per Share (₹) <i>Note 2</i>	24.39	11.77

Note:

1. *Return on Net Worth (%) = Profit for the period/year / Net Worth at the end of the period/year.*

2. *Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Equity shares outstanding at the end of the year.*

SECTION IX: RATIONALE FOR THE ISSUE PRICE

The investors should read the following summary with the section titled “*Risk Factors*” with the details about our Company under the section titled “*Summary of Letter of Offer*” and its financial statements under the section titled “*Financial Information*” beginning on page 22 , page 17 and page 59 respectively. The trading price of the Equity Shares of our Company could decline due to these risks and the investors may lose all or part of their investment.

The Board of Directors have determined the Rights Issue price of ₹180.00 per equity share, considering various factors, including that the issue price is at a discount to the recent market prices making it attractive to existing shareholders and the discount range to the current market price is in line with the industry practice, ensuring competitiveness.

Further, the issue price represents a discount of approximately:

1. 0.25% on average of 60 trading days volume weighted average price of the Equity Shares of our Company quoted on NSE, preceding the date of announcement of the Rights Issue Price by our Company (i.e., August 20, 2025) to the Stock Exchange.
2. 16.34% on average of 10 trading days volume weighted average price of the equity shares of our Company quoted on NSE, preceding the date of announcement of the Rights Issue Price by our Company (i.e., August 20, 2025) to the Stock Exchange.
3. 19.91 % on the closing market price of the Equity Shares of our Company on NSE, on one trading day prior (i.e., August 20, 2025) to the date of announcement of the Rights Issue Price by our Company (i.e., August 21, 2025) to the Stock Exchange.

For further details, please refer the section titled “*Summary of Letter of Offer*” on page 17. Our Company has received In-principle approval from NSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letter dated August 21, 2025. Our Company will also make application to NSE to obtain their trading approval for the Rights Entitlement as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: INE0SQY20018 for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “*Issue Information—Credit Of Rights Entitlements In Demat Accounts Of Eligible Equity Shareholders*” beginning on page 79 .

SECTION X: GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

There is no material pending government and regulatory approvals pertaining to the Objects of the Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 45.

SECTION XI: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the resolution of the Board passed at its meeting held on August 07, 2025, pursuant to Section 62 (1) (a) of the Companies Act, 2013.

The Board has at its meeting held on Thursday, August 21, 2025 determined the Issue Price as ₹180.00 per Rights Equity Share (including a premium of ₹ 170.00 per Rights Equity Share) and the Rights Entitlement as 1(One) Rights Equity Shares for every 10 (Ten) Equity Shares held on the Record Date.

This Letter of Offer has been approved by our Board pursuant to their resolutions dated August 21, 2025.

Our Company has received in-principle approval from NSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated August 21, 2025 for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make applications to NSE Emerge to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE0SQY20018 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN INE0SQY20018 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see “*Issue Information*” on page 67.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the members of our Promoter Group and our Directors have not been or are not prohibited from accessing or operating in the capital markets or restrained or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Association with entities prohibited by SEBI

- i. Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.
- ii. Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the NSE Emerge. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.
- iii. Our Company and our Promoters are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.
- iv. Our Company is in compliance with the conditions specified in Regulations 61 and 62 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 has made an application to the Stock Exchange for receiving its In Principle approval for the listing of the Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.
- v. Disclaimer from our Company, our Director(s): Our Company 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 including our Company’s website <https://www.gsmfoils.com/>.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and its respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centre.

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 Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Caution:

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with 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 Equity Shares and rights to purchase the Equity Shares 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 this 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 this Issue will be NSE.

Disclaimer clause of NSE

The disclaimer clause as intimated by NSE to our Company vide their in-principal approval dated August 21, 2025, is as under:

“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 Ref. No: No. NSE/LIST/C/2025/0909 dated August 21, 2025 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 the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness or 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.”

Investor Grievances and Redressal System

Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer within 15 days from the receipt of the complaint.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. 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.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see “*Process of making an application through ASBA Process*” at page 67. The contact details of our Company Secretary and Compliance Officer and Registrar to the Issue are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Mr. Pratik Mukeshbhai Makwana Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Maharashtra, India, 401208 Tel No.: +91 84689 68102 Email: investors@gsmfoils.com Website: www.gsmfoils.com	BIGSHARE SERVICES PVT LTD Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, MahakaliCaves Road, Andheri East, Mumbai – 400 093, Maharashtra, India Contact Details: +91-022-62638200 Fax No: +91-022-62638299 E-mail: rightsissue@bigshareonline.com Investor grievance e-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Suraj Gupta

Company Secretary and Compliance Officer	Registrar to the Issue
	SEBI Registration No.: INR000001385

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar to the Issue. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Application Form and 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 of our Company and will dispatch the Letter of Offer/ Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer 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 are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this 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 Equity Shares 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 Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

SECTION XII: MATERIAL DEVELOPMENTS

There have not been any material developments, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

SECTION XIII: ISSUE INFORMATION

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 Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company is 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.

Investors are requested to note that application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Overview

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the 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 (LODR) 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 NSE 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 Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Letter of Offer, the Entitlement Letter, Application Form and other issue material (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access this Letter of Offer, the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a. Our Company’s website at <https://www.gsmfoils.com/>;
- b. Registrar to the Issue’s website at <https://www.bigshareonline.com/>;
- c. NSE’s website at www.nseindia.com;

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit <https://www.bigshareonline.com/>

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at <https://www.bigshareonline.com/> by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at <https://www.gsmfoils.com/>.

Further, our Company 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.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail 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. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that 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, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of the Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

2. 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 the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see "Issue Information—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page 79.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “Issue Information—Grounds for Technical Rejection” on page 75. Our Company, 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, along with the requisite application money if they have not received the application form. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and 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, - please see “Issue Information—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 71.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://www.bigshareonline.com/> and link of the same would also be available on the website of our Company at <https://www.gsmfoils.com/>. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for 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 and have provided an

authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

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>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.
- c) Ensure that the Applications are submitted to the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) 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.
- h) 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.
- i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e) Do not submit Application Form using third party ASBA account.
- f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- g) Do not submit Multiple Application Forms.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper. Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- a. Name of our Company, GSM Foils Limited.
- b. 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);
- c. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP and Client ID in which RE held;
- d. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

- e. Number of Equity Shares held at Record Date;
- f. Allotment option – only dematerialised form;
- g. Number of Rights Equity Shares entitled to;
- h. Number of Rights Equity Shares applied for within the Rights Entitlements.
- i. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- j. Total number of Rights Equity Shares applied for;
- k. Total amount paid at the rate of ₹ 180.00 per Rights Equity Share;
- l. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- m. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained.
- n. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- o. 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);
- p. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at <https://www.bigshareonline.com/>.
- q. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 97 and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 97.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.bigshareonline.com/>. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details

of their demat account to the Registrar or our Company at least two clear 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 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 account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at 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, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- 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 remaining procedure for Application shall be same as set out in “*Issue Information—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 71.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Issue Information—Basis of Allotment*” on page 88.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounces who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an application

- a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards 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 Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Issue Information—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 71.

- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- f) 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 Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) 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.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ 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. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) 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.

- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

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 does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application do not match with the PAN records available with the Registrar/Depositories.
- c) Sending an Application to our Company, Registrar, Banker to the Issue to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

- i) 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).
- j) 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.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) 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.
- p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.
- s) Applicants not having the requisite approvals to make Application in the Issue.
- t) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES 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.
- u) RE not available in DP ID on Issue Closing Date.

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 dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will 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, please see “*Issue Information—Procedure for Applications by Mutual Funds*” on page 78. In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure*” on page 43.

An application made by a Specific Investor for Equity Shares - (a) against their existing entitlement and for additional Equity Shares: (b) renounced in their favour in terms of Regulation 77B(2) of SEBI ICDR Regulations; and (c) for the undersubscribed portion of the Issue in terms of Regulation 77B(4) shall not be treated as multiple applications for the purpose of allotment in this Issue.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

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, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and 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. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to 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. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management

companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors, or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Thursday, September 18, 2025, i.e., Issue Closing Date. Our Board may extend the said date for such a 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 Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Issue Information—Basis of Allotment*” on page 88.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period 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.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in 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 at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://www.bigshareonline.com/>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e. <https://www.gsmfoils.com/>). In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is INE0SQY20018. 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.

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 account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at 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 clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense 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. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

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. 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 account (namely, **“GSM Foils Limited ” RE Suspense Account”**) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Monday, September 15, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date,

to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

4. Renunciation and Trading of Rights Entitlement

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. 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 at 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.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the “On Market Renunciation”); or (b) through an off-market transfer (the “Off Market Renunciation”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ 180.00 per Rights Equity Share (including premium of ₹ 170.00 per Rights Equity Share) shall be payable on Application.

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.

a. On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares.

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 Exchange under ISIN: INE0SQY20018 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 100 (One Hundred) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Friday, September 05, 2025 to Monday, September 15, 2025 (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: INE0SQY20018 band indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE Emerge under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE0SQY20018, 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.

5. Mode of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising 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 finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

6. Basis for this Issue and Terms of this Issue

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held

in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see “*Summary of Letter of Offer*” on page 17.

Fractional Entitlements

The Rights Equity Shares are being issued on a rights basis to Eligible Equity Shareholders in the ratio of 1 (One) Equity Share for every 10 (Ten) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10(Ten) Equity Shares or not in the multiple of 10 (Ten) the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional lot of Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than 10 (Ten) Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this 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 LODR 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 Exchange 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 rank pari-passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from NSE through letter bearing reference number dated August 21, 2025. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on NSE (Symbol: GSMFOILS) under the ISIN: INE0SQY01018. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of our Promoter Group

Promoters and Promoter Group of our Company through their letter dated August 07, 2025, have confirmed that:

- i. they may intend to subscribe to the Rights Entitlements in part or in full in this Right Issue.
- ii. they may renounce the Rights Entitlements within the Promoter Group or to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.
- iii. they may or may not apply for and subscribe to the additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.
- iv. any acquisition of additional Equity Shares shall not result in change of control of the management of our Company in accordance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, ('SEBI (SAST) Regulations') and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations.

Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- 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 in this Letter of Offer; and
- f. Such other rights 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.

7. General Offering Information

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is One thousand (1,000) Equity Share.

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 the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one thousand Rights Equity Share and hence, odd lots of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose odd lots are being ignored earlier will be given preference in the Allotment of one additional lot of Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional lot of Rights Equity Shares over and above their Rights Entitlements.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Thane, where our Registered Office is located).

This Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out there in (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other

governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at <https://www.bigshareonline.com/>. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to <https://www.bigshareonline.com/> or investors@gsmfoils.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 89.

8. Issue Schedule

Last date for Credit of Rights Entitlements	Friday, August 29, 2025
Issue Opening Date	Friday, September 05, 2025
Last Date for On Market Renunciation of Rights Entitlements *	Monday, September 15, 2025
Issue Closing Date[®]	Thursday, September 18, 2025
Finalisation of Basis of Allotment (on or about)	Friday, September 19, 2025
Date of Allotment (on or about)	Friday, September 19, 2025
Date of Credit (on or about)	Monday, September 22, 2025
Date of Listing (on or about)	Tuesday, September 23, 2025

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

® Our Board 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 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 at 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 clear Working Days prior to the Issue Closing Date, i.e. Monday, September 15, 2025 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. Wednesday, September 17, 2025. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar i.e., <https://www.bigshareonline.com/>. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. <https://www.bigshareonline.com/> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

9. Basis of Allotment

Subject to the provisions contained in the 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 Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements and odd lots are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional lot of Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head should be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares 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 Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to specific investor(s), if applicable, subject to applicable laws, 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.

- f) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c), (d) and (e) 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 (f) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Further, our Company has opted for allotment to specific investor(s) in terms of Regulation 77B of SEBI (ICDR) Regulations, 2018.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

10. Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our 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 4 (Four) days' period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such a rate as prescribed under applicable law.

11. 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:

- 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 RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**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 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 at 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, a 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 favour 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.

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.

12. Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts will be credited within 3 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED 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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY

SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement amongst our Company, NSDL and the Registrar to the Issue dated January 05, 2024; and
- b) Tripartite agreement amongst our Company, CDSL and the Registrar to the Issue dated January 05, 2024.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-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 the Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialised 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 Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

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, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 72.

13. Impersonation

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *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*
- c) *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. Also, any penalty if imposed pursuant to Companies Act, 2013 shall be disclosed”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

14. Minimum Subscription

The objects of this Issue involve: (i) Funding Working Capital Requirements of our Company and (ii) for General Corporate Purposes.

- i. Further, Promoters and Promoter Group of our Company through their letter dated August 07, 2025 have confirmed that: they may intend to subscribe to the Rights Entitlements in part or in full in this Right Issue.
- ii. they may renounce the Rights Entitlements within the Promoter Group or to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.
- iii. they may or may not apply for and subscribe to the additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.
- iv. any acquisition of additional Equity Shares shall not result in change of control of the management of our Company in accordance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, ('SEBI (SAST) Regulations') and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations.

In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to this Issue.

15. Investor Grievances, Communication and Important Links

- 1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form 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 must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date 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 superscribed “GSM Foils Limited– Rights Issue” on the envelope and postmarked in India) to the Registrar at the following address:

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, MahakaliCaves Road, Andheri East, Mumbai – 400 093, Maharashtra, India

Contact Details: +91-022-62638200

Fax No: +91-022-62638299

E-mail: rightsissue@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.bigshareonline.com Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91-022-62638200.

4. 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.bigshareonline.com

Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.bigshareonline.com

This Issue will remain open for a minimum 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION XIV: UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following that:

- a) the complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
- b) all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;
- c) the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 3 (three) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- e) Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
- f) adequate arrangements shall be made to collect all ASBA applications;
- g) as of the date of this Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Letter of Offer, our Company has not issued any outstanding convertible debt instruments; and
- h) our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SECTION XV: UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

- A. all monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- B. details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Right Issue referred to in clause (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.

SECTION XVI: RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board (“**FIPB**”). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, **FIPB** section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognized as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company. The Rights Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in this Issue unless such application is accompanied with necessary approval or covered under a preexisting approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

SECTION XVII: RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

The Letter of Offer and its accompanying documents are 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.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No Offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit the Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered are being offered in “offshore transactions” as defined, and in reliance on, Regulation S under the U.S. Securities Act.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” (as defined in Regulation S under the U.S. Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to

whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) our Company, any of its affiliates, has not made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
13. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company.
14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.
15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION XVIII: STATUTORY AND OTHER INFORMATION

Please note that:

1. The allotment of the equity shares under Rights Issue shall be in Dematerialised Form.
2. Copies of Audited Financial Statement for the Financial Years 2025, 2024 and 2023 can be viewed at the link <https://www.gsmfoils.com/> .

SECTION XIX: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material contracts and documents (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to 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 these contracts and also the documents for inspection referred to hereunder, would be available for inspection at the registered office of our Company till the issue closing date on working days and working hours between 11:00 A.M. to 5:00 P.M. and also shall be available on the website of our Company at <https://www.gsmfoils.com/> from the date of the Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Registrar Agreement dated August 07, 2025, between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated August 07, 2025, among our Company, the Registrar to the Issue and the Bankers to the Issue.
3. Monitoring Agency Agreement dated August 07, 2025, between our Company and the Monitoring Agency
4. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated January 05, 2024
5. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated January 05, 2024

Material Documents in relation to the Issue

1. Copy of Certificate of Incorporation dated June 27, 2023, issued under the name GSM Foils Private Limited.
2. Copy of Fresh Certificate of Incorporation dated September 04, 2023, issued by Registrar of Companies, Mumbai consequent to name change from GSM Foils Private Limited to GSM Foils Limited pursuant to the conversion of our Company into a Public Limited Company.
3. Certified copies of the Certificate of Incorporation, the updated Memorandum of Association and Articles of Association of our company.
4. Copies of Audited Financial Statement of our Company for the Financial Year ending March 31, 2025, March 31, 2024, March 31, 2023.
5. Certified copies of the Resolution of our Board of Directors dated August 07, 2025, approving the Right Issue.
6. Certified copies of the Resolution of our Board of Directors dated Thursday, August 21, 2025, finalizing the terms of the Right Issue including Right Issue Price, Record Date and the Rights Entitlement Ratio.
7. Certified copies of the Resolution of our Board of Directors dated August 07, 2025, approving and adopting the Draft Letter of Offer.
8. Certified copies of the Resolution of our Board of Directors dated Thursday, August 21, 2025 approving and adopting the Letter of Offer.
9. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Bankers to the Issue, Monitoring Agency and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities.
10. Statement of Tax Benefits dated August 07, 2025 from the Statutory Auditors of our Company included in this Letter of Offer.
11. Certificate on working capital requirement issued by our Statutory Auditors dated August 07, 2025.
12. In-principal approval issued by NSE dated Thursday, August 21, 2025.

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 notice to the Eligible Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XX: DECLARATION

We 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. All the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of our Company

Sd/- <hr/> Sagar Girish Bhanushali Chairman and Whole Time Director DIN: 09126902	Sd/- <hr/> Mohansingh Laxmansingh Parmar Managing Director DIN: 08413828
Sd/- <hr/> Mahesh Virchand Mehta Independent Director DIN: 09325268	Sd/- <hr/> Vijay Venilal Pandya Independent Director DIN: 10420959
Sd/- <hr/> Swati Dhaval Mirani Independent Director DIN: 10449509	

Signed by our Chief Financial Officer

Sd/-

Sagar Girish Bhanushali

Place: Thane

Date: August 21, 2025