

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

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated February 27, 2021 (“Letter of Offer”) which is available on the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) (the “Stock Exchange”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the same meaning as ascribed to them in the Letter of Offer.

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

Our Company has made available on the Registrar’s website at <https://rights.cameoindia.com/Rajapalayam> and the Company’s website at www.rajapalayammills.co.in, this Abridged Letter of Offer and the Application Form to the Eligible Equity Shareholders who have provided an Indian address to the Company. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“SEBI”), the Stock Exchange and the Lead Manager to the Issue i.e. Vivro Financial Services Private Limited at www.sebi.gov.in, www.bseindia.com, and www.vivro.net, respectively. The Application Form is available on the respective websites of the Lead Manager, the Stock Exchange and on the R-WAP.



RAJAPALAYAM MILLS LIMITED

Registered Office: Rajapalayam Mills Premises, Post Box No. 1, P.A.C. Ramaswamy Road, Rajapalayam – 626 117, Tamil Nadu, India.

Telephone:+91-4563-235666; **Email:** rajacot@ramcotex.com; **Website:** www.rajapalayammills.co.in

Contact Person: Arul Pranavam A, Company Secretary and Compliance Officer; **Email:** investorgrievance@ramcotex.com

Corporate Identity Number: L17111TN1936PLC002298

PROMOTERS OF THE COMPANY

P R VENKETRAMA RAJA AND P V ABINAV RAMASUBRAMANIAM RAJA.

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UP TO 12,29,360 FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹569 EACH INCLUDING A SHARE PREMIUM OF ₹559 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) AGGREGATING TO AN AMOUNT UP TO ₹6,995.06 LAKHS* ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 6 (SIX) FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, MARCH 5, 2021 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 56.9 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 98 OF THE LETTER OF OFFER.

**Assuming full subscription*

Listing: The existing Equity Shares of our Company are listed on BSE Limited (“BSE”/“Stock Exchange”). Our Company has received an “in-principle” approval from BSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to letter dated February 24, 2021. Our Company will also make an application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

Procedure: If you wish to know about processes and procedures applicable to Rights Issues, you may refer section titled “Terms of the Issue” on page 98 of the Letter of Offer. You may also download the Letter of Offer from the websites of the Company, SEBI, BSE, the Registrar, the Lead Manager to the Issue and on the R-WAP as stated above. You can also request the Lead Manager to the Issue or BSE to provide a hard copy of the Letter of Offer. Please note that in terms of Regulation 72(5) of SEBI ICDR Regulations, the Lead Manager and the Stock Exchange may charge a reasonable amount for providing hard copy of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Indian Companies Act, 1913. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations. Our Company satisfies conditions stipulated below in terms of Regulation 99 of the SEBI ICDR Regulations read with the SEBI circular bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 dated April 21, 2020, our Company is eligible to make this Issue by way of a ‘fast track issue’.

Minimum Subscription: Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, If our Company does not receive the minimum subscription of 75% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90% of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are “officers in defaults” will pay interest for the delayed period, at such rates as prescribed under the Companies Act, 2013.

INDICATIVE TIMETABLE[#]

Issue Opening Date	Monday, March 15, 2021	Date of Allotment (on or about)	Thursday, April 8, 2021
Last Date for On Market Renunciation*	Wednesday, March 24, 2021	Date of credit of Rights Equity Shares to demat account of Allottee (on or about)	Friday, April 9, 2021
Issue Closing Date[#]	Tuesday, March 30, 2021	Date of listing/ commencement of trading of Rights Equity Shares on the Stock Exchange (on or about)	Tuesday, April 13, 2021
Finalisation of Basis of Allotment (on or about)	Thursday, April 8, 2021		

**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(s) on or prior to the Issue Closing Date.*

[#]Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange, and on R-WAP, subject to the applicable law.

Notice to Investors 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, 1933, as amended (“**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”) or to, or for the account or benefit of, “**U.S. persons**” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in the Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Letter of Offer, and this Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the Letter of Offer / this Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

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

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

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. **Specific attention of the Investors is invited to the statement of “Risk Factors” beginning on page 18 of the Letter of Offer and “Internal Risk factors” on page 6 of this Abridged Letter of Offer before making an investment in the Issue.**

Name of Lead Manager and contact details

Vivro Financial Services Private Limited
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad - 380007, Gujarat, India.
Telephone: +91-79-4040 4242;
Email: rml.rights@vivro.net;
Website: www.vivro.net
Investor Grievance Email: investors@vivro.net
Contact Person: Yogesh Malpani/Mili Khamar
SEBI Registration Number: INM000010122

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Name of Registrar to the Issue and contact details	Cameo Corporate Services Limited Subramanian Building, No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India Telephone: + 91-44-28460390; Email: priya@cameoindia.com ; Website: www.cameoindia.com ; Investor Grievance Email: investor@cameoindia.com Contact Person: Ms K. Sreepriya SEBI Registration Number: INR000003753
Name of Statutory Auditors	M/s. N.A. Jayaraman & Co, Chartered Accountants and M/s SRSV & Associates, Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	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.
Banker to the Issue/ Refund Bank	HDFC Bank Limited ALFA Building, FIG-OPS Department-Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India. Contact Person: Siddharth Jadhav, Prasanna Uchil, Neerav Desai, Eric Bacha Telephone: + 91-22 30752927 / 28 / 2914 E-mail: Siddharth.Jadhav@hdfcbank.com , Prasanna.Uchil@hdfcbank.com , Neerav.Desai@hdfcbank.com , eric.bacha@hdfcbank.com CIN: L65920MH1994PLC080618 SEBI Registration No.: INBI00000063

1. Summary of our Business

We are a part of the South India-based Ramco Group, incorporated in 1936 and founded by P. A. C. Ramasamy Raja. Our Company is engaged in the business of manufacturing of cotton yarn ranging from 4s to 355s (single/double yarn) and fabrics. Presently, we have four manufacturing facilities of cotton yarn and one manufacturing facility of fabric. Our spinning units are located at Rajapalayam in Virudhunagar district and Perumalpatti in Thirunelveli district of Tamil Nadu. Our Company manufactures a wide range of products like Open End yarn, Ring yarn, Compact yarn, TFO yarn, Gassed yarn, Mercerised yarn, Slub yarn, Multi Count yarn, Melange yarn. Dyed High Twist yarn, Core Spun yarn and Elitwist yarn. We are also engaged in generation of electricity from windmills with an aggregate installed capacity of 35.15 MW wind power facilities.

For further details, see “Our Business” on page 60 of the Letter of Offer.

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

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

(₹ in Lakhs)

Sr. No.	Particulars	Estimated funds requirement	Funds already deployed till February 9, 2021 [^]	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds	
					Fiscal 2021	Fiscal 2022
1.	Modernization of our existing Open End Spinning Machines located at Rajapalayam Mills, Rajapalayam, Virudhunagar district, Tamil Nadu	4,014.69	132.49	3,882.20	134.14	3,748.06
2.	Setting up a new additional line of mercerization machine in our Mercerizing Division located at Rajapalayam Mills, Rajapalayam, Virudhunagar district, Tamil Nadu	1,717.75	85.77	1,631.98	208.86	1,423.12
3.	General corporate purposes	1,410.94	-	1,410.94	-	1,410.94
Net Proceeds*		7,143.38	218.26	6,925.12	343.00	6,582.12

[^]Based on the certificate dated February 10, 2021, of M/s. N.A. Jayaraman & Co, Chartered Accountants and M/s SRSV & Associates, Chartered Accountants, our Company has deployed ₹218.26 lakhs towards Modernization Project and Mercerization Project from internal accruals. Except the funds already deployed, the balance fund requirement is proposed to be met out from the Net Proceeds of the Issue.

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

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Means of Finance

The requirements of funds for the Objects of the Issue detailed above are intended to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for it 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 through the Issue.

For further details, see “*Object of the Issue*” on page 43 of the Letter of Offer.

3. **Name of Monitoring Agency** – Since the Issue size does not exceed ₹10,000 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under the SEBI ICDR Regulations.

4. Shareholding Pattern

Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

- i. The shareholding pattern of our Company as on December 31, 2020, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/rajapalayam-mills-ltd/rajapalayam/532503/shareholding-pattern/>
- ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2020 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532503&qtrid=108.00&QtrName=December%202020>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2020 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532503&qtrid=108.00&QtrName=December%202020>

5. Board of Directors

Sr. No.	Name	Designation	Other Directorships
1.	P R Venketrama Raja	Chairman and Non-Executive Director	<ol style="list-style-type: none"> 1. Ramco Cements Limited; 2. Ramco Systems Limited; 3. Ramco Industries Limited; 4. Ramaraju Surgical Cotton Mills Limited; 5. Sri Vishnu Shankar Mills Limited; 6. Sandhya Spinning Mill Limited; 7. Sri Sandhya Farms (India) Private Limited; 8. RCDC Securities and Investments Private Limited; 9. Nirmala Shankar Farms and Estates Private Limited; 10. Ram Sandhya Farms Private Limited; 11. Rajapalayam Textile Limited; 12. Ramamandiram Agricultural Estate Private Limited; 13. Lynks Logistics Limited; 14. Ramamandiram Management Consultancy Private Limited; 15. Ramco Management Private Limited; and 16. Rajapalayam Chamber of Commerce And Industry
2.	R. Sudarsanam	Managing Director (Executive Director)	<ol style="list-style-type: none"> 1. Sandhya Spinning Mill Limited; 2. Sudarsana Farms Private Limited; 3. Rajapalayam Farms Private Limited; 4. Sri Sandhya Farms (India) Private Limited; 5. Sri Saradha Deepa Farms Private Limited; 6. Ramamandiram Agricultural Estate Private Limited; 7. Nalina Agricultural Farms Private Limited; 8. Nirmala Shankar Farms & Estates Private Limited; 9. Sri Nithyalakshmi Farms Private Limited; 10. Ram Sandhya Farms Private Limited; 11. Ramco Private Limited; 12. Rajapalayam Textile Limited; 13. Ramco Management Private Limited; 14. RCDC Securities and Investments Private Limited; and 15. JKR Enterprises Limited

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Sr. No.	Name	Designation	Other Directorships
3.	P V Nirmala Raju	Non-Executive Director	1. Sandhya Spinning Mill Limited; 2. Sound Investment and Leasing Private Limited; and 3. Barefoot Dance Company India Private Limited
4.	S. S. Ramachandra Raja	Non-Executive Director	1. Ramco Industries Limited; 2. Sri Vishnu Shankar Mill Limited; 3. Ramco Management Private Limited; 4. Sri Sethu Ramasamy Farms Private Limited; 5. Sudharsanam Investments Limited; and 6. Rajapalayam Chamber of Commerce and Industry
5.	N K Ramaswami Raja	Independent Director	1. Madras Chipboard Limited; 2. Sri Harini Textiles Limited; 3. Digvijai Polytex Private Limited; 4. Ramco Agencies Private Limited; and 5. Rajapalayam Chamber of Commerce and Industry
6.	Arrakundal Velayutha Raja Dharmakrishnan	Non-Executive Director	1. Ramco Industrial and Technology Services Limited (formerly Ontime Industrial Services Limited); 2. Ramco Systems Limited; 3. Ramco Windfarms Limited; 4. Madurai Trans Carrier Limited; 5. Sri Harini Media Limited; 6. Lynks Logistics Limited; and 7. L3 Enterprises Private Limited
7.	P. P. S. Janarthana Raja	Independent Director	1. The Ramaraju Surgical Cotton Mills Limited; 2. Ramco Systems Limited; 3. Lynks Logistics Limited; and 4. Muthialpet Higher Secondary School
8.	Vaidyanathan Santhanaraman	Independent Director	1. The Ramaraju Surgical Cotton Mills Limited; and 2. Ramco Industries Limited
9.	Kokku Bhaskara Nagendra Murthy	Independent Director	1. Sri Kannapiran Mills Limited; and 2. JKR Enterprise Limited
10.	Soundara Kumar	Independent Director	1. Ramco- Systems Limited; 2. Shanthi Gears Limited; 3. Sundaram Trustee Company Limited; 4. Tamilnadu Newsprint and Papers Limited; 5. Bank of Baroda; and 6. Carborundum Universal Limited
11.	PVAbinavRamasubramaniam Raja	Non-Executive Director	1. Lynks Logistics Limited; 2. Ramco Systems Limited; 3. Ramco Industries Limited; 4. Ramamandiram Management Consultancy Private Limited; 5. RCDC Securities and Investments Private Limited; and 6. L3 Enterprises Private Limited
12.	Alaghar Rajha P A S	Independent Director	1. Rajapalayam Textile Limited; 2. Sri Vishnu Shankar Mills Limited; and 3. Tirupathi YarnTex Spinners Private Limited

For further details, see “Our Management” on page 67 of the Letter of Offer.

6. Neither our Company nor any of our Promoters or Directors is identified as a Wilful Defaulter.

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7. Financial Statement Summary

A summary of our Company's Limited Review Interim Unaudited Consolidated Financial Statements for the nine months period ended December 31, 2020 and Audited Consolidated Financial Statements as at and for the year ended March 31, 2020 is stated as below:

(₹ in Lakhs, except otherwise specified)

Particulars	Nine months period ended December 31, 2020	Fiscal 2020
Total income from operations (net)	27,477.00	35,782.22
Net Profit/(Loss) before tax and extraordinary items	(4,738.00)	(1,639.14)
Profit/(Loss) after tax and extraordinary items	6,878.00	9,206.79
Equity Share Capital	736.01	736.01
Reserve and Surplus	1,85,059.70	1,78,144.00
Net Worth	1,85,795.71	1,78,880.01
Basic earnings per share (₹)	93.46*	125.09
Diluted earnings per share (₹)	93.46*	125.09
Net Asset Value per share (₹)	2,524.37	2,430.41
Return on Net Worth (%)	3.70%*	5.15%

*not annualised

For further details, see "Financial Information" on page 74 of the Letter of Offer.

8. Internal Risk Factors

The below mentioned are top 5 risk factors as per the Letter of Offer:

- The recent novel coronavirus ("COVID-19") outbreak has impacted our business, results of operations and financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.
- Any increase in the prices of our raw material or any decrease in the supply of our raw materials, primarily cotton will materially and adversely affect our business, results of operations and financial condition.
- We do not have any long term contract with customers.
- We are exposed to foreign exchange fluctuations risks.
- The purchase order placed for majority of plant and machinery for our proposed Modernization Project and Mercerization Project, as specified in the Objects of the Issue are in foreign currency denomination i.e. Euro. Any weakening of Rupee against Euro may adversely impact our capital expenditure cost and may result into cost overrun.

For further details, see "Risk Factors" on page 18 of the Letter of Offer.

9. Summary of Outstanding Litigations

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

Nature of Cases	Number of Cases	Amount Involved* (₹ lakhs)
Litigations involving our Company		
Proceedings involving moral turpitude or criminal liability on our Company	NIL	-
Proceedings involving material violations of statutory regulation by our Company	NIL	-
Matters involving economic offences where proceedings have been initiated against our Company	NIL	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	NIL	-

* To the extent quantifiable.

For further details, see "Outstanding Litigations and Defaults" beginning on page 87 of the Letter of Offer.

10. Terms of the Issue

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together "ASBA

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Circulars”), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue i.e. R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP. For details, see “Procedure for Application through the ASBA Process” and “Procedure for Application through the R-WAP” on page 109 and 109 of the Letter of Offer.

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

Investors may accept this Issue and apply for the Rights Equity Shares (i) 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, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB and R-WAP). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 120 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Procedure for Application through the R-WAP

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/Rajapalayam>), has been instituted for making an Application in this Issue by resident Investors. **Further, R-WAP is only an additional option and not a replacement of the ASBA process.**

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTOR - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS.” ON PAGE 32 OF THE LETTER OF OFFER.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions or call helpline number (+91 73388 08559 and +91 44 - 40020710). For details, see “Procedure for Application through the R-WAP” on page 109 of the Letter of Offer.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “Terms of the Issue - Procedure for Application” on page 107 of the Letter of Offer.

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

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. **Applications on plain paper will not be accepted from any address outside India.**

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements.

PLEASE NOTE THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

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

1. Name of our Company, being Rajapalayam Mills Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total Application Money paid at the rate of ₹ 569 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. 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;
13. 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;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

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

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/Rajapalayam>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery or upload in the R-WAP portal so as to reach to the Registrar no later than two 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 Eligible Equity Shareholders can access the Application Form from:
 - R-WAP of the website of the Registrar at <https://rights.cameoindia.com/Rajapalayam>;
 - our Company at www.rajapalayammills.co.in;
 - the Registrar at <https://rights.cameoindia.com/Rajapalayam>;
 - the Lead Manager, i.e., Vivro Financial Services Private Limited at www.vivro.net
 - the Stock Exchange at www.bseindia.com;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/Rajapalayam>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.rajapalayammills.co.in);

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Payment Schedule of Rights Equity Shares

The Issue Price of ₹569 per Rights Equity Share (including premium of ₹559 per Rights Equity Share) shall be payable in entirety at the time of making the Application.

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

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 6 (Six) fully paid up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 6 (Six) fully paid up Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 6 (Six) fully paid up Equity Shares or is not in the multiple of 6 (Six) fully paid up Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

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

For example, if an Eligible Equity Shareholder holds 10 (Ten) Equity Shares, such Equity Shareholder will be entitled to 1 (One) Rights Equity Share and will also be given a preferential consideration for the Allotment of 1 (One) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 6 (Six) fully paid up Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in 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 escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is INE296E20018. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Thursday, March 25, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock 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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "PROCEDURE FOR APPLICATION" ON PAGE 107 OF THE LETTER OF OFFER.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN INE296E20018. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade/transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

For details, see "*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on page 112 of the Letter of Offer.

Renunciation of Rights Entitlements

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

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

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In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, 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. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

1. On Market Renunciation

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

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE296E20018 subject to requisite approvals. 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 one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, Monday, March 15, 2021 to Wednesday, March 24, 2021 (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 INE296E20018 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

2. Off Market Renunciation

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

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE296E20018, 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.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

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

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

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

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the heading “Basis of Allotment” on page 123 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to priya@cameoindia.com in case Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Intention and extent of participation by our Promoters and Promoter Group in this Issue

Our Promoters and Promoter Group *vide* their letter dated February 5, 2021 (“**Subscription Letter**”), have indicated that they, jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars and subscribe to unsubscribed portion of the Issue, if any.

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

Availability of offer document of the immediately preceding public issue or rights issue for inspection: Not Applicable

Any other important information as per Lead Manager and the Issuer: Nil

DECLARATION BY THE COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

P R Venketrama Raja

Chairman and Non-Executive Director
Place: Chennai

R. Sudarsanam

Managing Director (Executive Director)
Place: Rajapalayam

P V Nirmala Raju

Non-Executive Director
Place: Chennai

S. S. Ramachandra Raja

Non-Executive Director
Place: Rajapalayam

Arrakundal Velayutha Raja Dharmakrishnan

Non-Executive Director
Place: Chennai

P. P. S. Janarthana Raja

Independent Director
Place: Chennai

B Gnanagurusamy

Chief Financial Officer
Place: Rajapalayam

Vaidyanathan Santhanaraman

Independent Director
Place: Chennai

Kokku Bhaskara Nagendra Murthy

Independent Director
Place: Hyderabad

Soundara Kumar

Independent Director
Place: Chennai

P V Abinav Ramasubramaniam Raja

Non-Executive Director
Place: Chennai

Alaghar Rajha P A S

Independent Director
Place: Rajapalayam

N K Ramasuwami Raja

Independent Director
Place: Rajapalayam

Date: February 27, 2021