

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 January 6, 2023 (“**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/Rajapalayam1> and the Company’s website at www.rajapalayammills.co.in, this Abridged Letter of Offer and the Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“**SEBI**”), the Stock 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.

**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: A. Arulpranavam, 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 6,14,680 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 ₹3,497.53 LAKHS* ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 14 (FOURTEEN) FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, DECEMBER 30, 2022 (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 114 OF THE LETTER OF OFFER.

**Assuming full subscription.*

Listing: The existing Equity Shares of the Company are listed on the BSE. Our Company has received ‘in-principle’ approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter dated December 13, 2022. Our Company will also make application to the Stock Exchange to obtain their trading approval for the Right Entitlements as required under the SEBI circular (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 114 of the Letter of Offer. You may also download the Letter of Offer from the websites of the Company, SEBI, BSE, Registrar, the Lead Manager to the Issue as stated above. You can also request the Lead Manager to the Issue or BSE to provide a hard copy of Letter of Offer. Please note that in terms of Regulation 72(5) of the SEBI ICDR Regulations, the Lead Manager and the Stock Exchange may charge a reasonable amount for providing hard copy of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

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 the conditions specified in Regulation 99 of the SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a ‘fast track issue’.

Compliance of Part B of Schedule VI of the SEBI ICDR Regulations: As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in the Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Minimum Subscription: In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is applicable to the Issue. If our Company does not receive the minimum subscription of 90% 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 4 (four) days from the Issue Closing Date. 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	Wednesday, January 18, 2023	Date of Allotment (on or about)	Thursday, February 16, 2023
Last Date for On Market Renunciation*	Thursday, February 2, 2023	Date of credit of Rights Equity Shares to demat account of Allottee (on or about)	Monday, February 20, 2023
Issue Closing Date#	Tuesday, February 7, 2023	Date of listing/ commencement of trading of Rights Equity Shares on the Stock Exchange (on or about)	Thursday, February 23, 2023
Finalisation of Basis of Allotment (on or about)	Tuesday, February 14, 2023		

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

Our Board or Rights Issue 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, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights 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. 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 subject to the applicable law. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

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 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.

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 this Issue.

Name of Lead Manager to the Issue and contact details	Vivro Financial Services Private Limited Vivro House, 11, Shashi Colony, Opposite Suvridha Shopping Center, Paldi, Ahmedabad – 380 007, Gujarat, India. Telephone: +91-79-4040 4242; Email: rml.rights@vivro.net; Website: www.vivro.net ; Investor Grievance Email: investors@vivro.net ; Contact Person: Anshul Nenawati / Samir Santara; SEBI Registration Number: INM000010122
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: + 91-40020700; Email: priya@cameoindia.com ; Website: www.cameoindia.com ; Investor Grievance Email: investor@cameoindia.com ; Contact Person: 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 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: Vikas Rahate, Eric Bacha, Siddharth Jadhav, Sachin Gawade, Tushar Gavankar Telephone: +91-22 30752929/28/14 E-mail: vikas.rahate@hdfcbank.com , eric.bacha@hdfcbank.com , siddharth.jadhav@hdfcbank.com , sachin.gawade@hdfcbank.com , tushar.gavankar@hdfcbank.com CIN: L65920MH1994PLC080618; SEBI Registration No.: INBI00000063

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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 yarn ranging from 4s to 355s (single/double yarn) and fabrics. Presently, we have four manufacturing facilities of 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. We have also established a fabric unit based at Rajapalayam in Virudhunagar district of Tamil Nadu in which we began the commercial production in March 2020. At present, our Company has an installed capacity of 1,51,808 spindles in Ring Spinning and 2,960 rotors in Open End Spinning. Our Company has a capacity of 154 looms with a greige fabric production capacity of 28,452 mtrs/day and are in the process of expanding our existing capacity by installing 166 additional looms with a greige production capacity of 38,897 mtrs/day under the new project which will enable the company to increase its capacity to 320 looms along with greige fabric capacity to 67,350 mtrs/day. Further, our company is in the process of establishing fabric finishing infrastructure which will enable the company to produce finished fabric of 50,000 mtrs/day. 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 Yarn, High Twist yarn, Core Spun yarn and Elitwist yarn. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets.

For further details, refer chapter titled “Our Business” on page 74 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 October 31, 2022	Funds to be deployed from borrowings	Amount to be deployed from Net Proceeds	Deployment of Net Proceeds for the Fiscal 2023
1.	Capital expenditure for enhancement of fabric division capacity comprises A) Looms Expansion B) Fabric Processing	39,986.55	25,185.63	8,877.59	3,445.08	3,445.08
2.	Capital expenditure for modernization of existing spinning capacity					
3.	Capital expenditure for setting up of electrical infrastructure capacity to support existing and proposed infrastructure					
	Total Net Proceeds*	39,986.55	25,185.63	8,877.59	3,445.08	3,445.08

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

Means of Finance

(₹ in lakhs)

Sr. No.	Means of Finance	Amount
1.	Net proceeds under this Right Issue*	3,445.08
2.	Term Loan from Banks**	28,000.00
3.	Internal accruals/Sale of Investments	8,541.47
	Total	39,986.55

*Assuming full subscription in the Issue and subject to finalization of the basis of allotment.

**We have been sanctioned, vide sanction letter dated January 17, 2022, secured term loan of ₹14,000.00 lakhs from Export Import Bank of India, and vide sanction letter dated February 04, 2022, secured term loan of ₹14,000.00 lakhs from Axis Bank Limited.

The total funds required for the Proposed projects is ₹39,986.55 lakhs. 75% of the stated means of finance, excluding funds to be raised through the Issue and deployed from Identified Internal Accruals have been arranged as follows:

(₹ in lakhs)

Particulars	Amount
Aggregate funds required for the Objects of the Issue (A)	39,986.55
Amount proposed to be financed from Net Proceeds (B)	3,445.08
Funds deployed till October 31, 2022, through Identified Internal Accruals (C)*	6,063.22
Funds required excluding the Net Proceeds and Identified Internal Accruals (A) - (B) - (C)	30,478.25
Funded by Secured Term Loans**	28,000.00
75% of the funds required excluding the Net Proceeds and Identified Internal Accruals	22,858.69
Arrangements regarding 75% of the funds required excluding the Issue proceeds	

*Certified by M/s N.A. Jayaraman & Co. and M/s SRSV & Associates, Chartered Accountants, vide their certificate dated November 29, 2022.

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**The table below gives the details of the sanctioned loans from lenders:

(₹ in lakhs)

Name of Lender	Loan sanctioned	Loan disbursed till October 31, 2022
Axis Bank Limited	14,000.00	11,072.88*
Exim Bank of India	14,000.00	8,049.53#
Total	28,000.00	19,122.41

*Includes Letter of Credit outstanding of ₹6,500.29 lakhs.

#Includes Letter of Credit outstanding of ₹978.31 lakhs.

In view of the above, we confirm that we have complied with the SEBI ICDR Regulations which requires our Company to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Rights Issue. For further details, refer chapter titled “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 SEBI ICDR Regulations.

4. Shareholding Pattern

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

- a. The shareholding pattern of our Company as on September 30, 2022, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/rajapalayam-mills-ltd/rajpalayam/532503/shareholding-pattern/>
- b. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532503&qtrid=114.00&QtrName=September%202022>
- c. The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on September 30, 2022 are available at: <https://www.bseindia.com/stock-share-price/rajapalayam-mills-ltd/rajpalayam/532503/shareholding-pattern/>.

5. Board of Directors

Sr. No.	Name	Designation	Other Directorships
1.	P R Venketrama Raja	Chairman and Non-Executive Director	1. The Ramco Cements Limited; 2. Ramco Systems Limited; 3. Ramco Industries Limited; 4. The 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 & 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.	P V Nirmala Raju	Managing Director	1. Sandhya Spinning Mill Limited; 2. Sound Investment and Leasing Private Limited; and 3. TN Apex Skill Development Centre for Construction and Infrastructure
3.	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. Shri Harini Media Limited; 6. Lynks Logistics Limited; and 7. L3 Enterprises Private Limited

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Sr. No.	Name	Designation	Other Directorships
4.	S. S. Ramachandra Raja	Non-Executive Director	1. Ramco Industries Limited; 2. Sri Vishnu Shankar Mills 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.	P V Abinav Ramasubramaniam 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
6.	N K Ramasuwami 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
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 & Papers Limited; 5. Bank of Baroda; and 6. Carborundum Universal Limited
11.	Alaghar Rajha P A S	Independent Director	1. Rajapalayam Textile Limited; 2. Sri Vishnu Shankar Mills Limited; 3. Tirupathi Yartex Spinners Private Limited; and 4. The Ramaraju Surgical Cotton Mills Limited

For further details, refer chapter titled “Our Management” on page 82 of the Letter of Offer.

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

7. Financial Statement Summary

A summary of our Limited Review Interim Unaudited Consolidated Financial Statements for the six months period ended September 30, 2022, and Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 are stated as below:

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

Particulars	For the six months period ended September 30, 2022	Fiscal 2022
Total income from operations (net)	41,800.54	68,965.47
Net Profit/(Loss) before tax and extraordinary items	2,895.52	5,078.79
Profit/(Loss) after tax and extraordinary items	4,528.62	16,657.61
Equity Share Capital	858.94	858.94
Reserve and Surplus	2,16,235.11	2,11,695.25
Net Worth	2,17,094.05	2,12,554.19

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Particulars	For the six months period ended September 30, 2022	Fiscal 2022
Basic earnings per share (₹)	53.00*	194.00
Diluted earnings per share (₹)	53.00*	194.00
Net Asset Value per share (₹)	2,527.45*	2,474.60
Return on Net Worth (%)	2.09*	7.84

* Not annualised

For further details, refer chapter titled “Financial Information” on page 88 of the Letter of Offer.

8. Internal Risk Factors

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

1. Any increase in the prices of raw material or any decrease in the supply of raw materials, primarily cotton will materially and adversely affect our business, results of operations and financial condition.
2. We do not have long term contracts with our customers.
3. We are exposed to foreign exchange fluctuations risks.
4. Any decrease in demand for our products may adversely affect our business and financial condition.
5. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.

For further details, refer chapter titled “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* (₹ in 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	-

For further details, refer chapter titled “Outstanding Litigations and Defaults” beginning on page 102 of the Letter of Offer.

10. Terms of the Issue

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Terms of the Issue - Making an Application through the ASBA process” on page 116 of the Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 128 of the Letter of Offer.

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

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

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Terms of the Issue - Grounds for Technical Rejection” on page 124 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Making 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 an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

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

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, refer “Terms of the Issue - Making an Application through the ASBA process” on page 116 of the Letter of Offer.

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.

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

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

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

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

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

1. Name of our Company, being 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. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option - only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹569 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. 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 priya@cameoindia.com; and
17. All such Eligible Equity Shareholders are deemed to have accepted the following:

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

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

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in 'Restrictions on Purchases and Resales' on page 143 of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States.

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

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/Rajapalayam1>. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

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

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see 'Terms of the Issue – Credit of Rights Entitlement in dematerialised account of Eligible Equity Shareholders' on page 128 of the Letter of Offer.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

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

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

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than 2 Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in 'Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 118 of the Letter of Offer.

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

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

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.

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 14 (Fourteen) 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 14 (Fourteen) Equity Shares held as on the Record Date. As per the SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 14 (Fourteen) Equity Shares or is not in the multiple of 14 (Fourteen) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for the Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 25 (Twenty Five) 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 14 (Fourteen) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for the Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for the Additional Rights Equity Shares, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company in the name of "**Rajapalayam Mills Limited**", for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE296E20026. The ISIN for the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date. The ISIN for the Rights Entitlements shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, i.e., by Friday, February 3, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity

Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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 Rights Issue Circular, 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 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 (**On Market Renunciation**); or (b) through an off-market transfer (**Off Market Renunciation**), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

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

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

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock 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 Circular, 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 INE296E20026 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 dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, January 18, 2023 to Thursday, February 2, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE296E20026 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The on Market Renunciation shall take place electronically on secondary market platform of BSE 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 SEBI.

Off Market Renunciation

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

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE296E20026, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the CDSL and NSDL from time to time.

Options available to the Eligible Equity Shareholders

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

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

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements (including acquired REs); or
2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements (including acquired REs) and apply for additional Equity Shares; or
5. Renounce its Rights Entitlements in full.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of the Issue - Basis of Allotment*” beginning on page 137 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Withdrawal of Application

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

Intention and extent of participation by our Promoters and Promoter Group

Our Promoters and Promoter Group *vide* their letter dated November 23, 2022 (“**Subscription Letter**”), have indicated that they, jointly and/or severally, shall 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 shall 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 Additional Rights Equity Shares by the Promoters and Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change in control of the management of the 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.

11. **Availability of offer document of the immediately preceding public issue or rights issue for inspection:** A copy of letter of offer dated January 6, 2023 issued in connection with rights issue of Equity Shares of our Company is available in the manner specified in the SEBI ICDR Regulations and also as a material document for inspection.
12. **Any other important information as per Lead Manager and the Issuer:** Nil

DECLARATION BY THE COMPANY

We hereby declare that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the 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 Venketrana Raja
Chairman and Non-Executive Director
Place: Chennai

P. P. S. Janarthana Raja
Independent Director
Place: Chennai

P V Nirmala Raju
Managing Director
Place: Chennai

Vaidyanathan Santhanaraman
Independent Director
Place: Chennai

Arrakundal Velayutha Raja Dharmakrishnan
Non-Executive Director
Place: Chennai

Kokku Bhaskara Nagendra Murthy
Independent Director
Place: Apex, North Carolina, USA

S. S. Ramachandra Raja
Non-Executive Director
Place: Rajapalayam

Soundara Kumar
Independent Director
Place: Coimbatore

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

B. Gnanagurusamy
Chief Financial Officer
Place: Rajapalayam

Date: January 6, 2023