



RAJAPALAYAM MILLS LIMITED

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

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

Corporate Identity Number: L17111TN1936PLC002298

RIGHTS ENTITLEMENT LETTER

Date:

Dear Shareholder,

SUB: 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 UPTO ₹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.**

You have been sent this letter (including its enclosures) to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and relevant circulars issued by the Securities and Exchange Board of India from time to time. This letter does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where offers or solicitations are not permitted by law. The information in this letter is solely intended for distribution to, and use by eligible equity shareholders as of the Record Date i.e., Friday, December 30, 2022 who are (i) a resident of India and (ii) outside of India and the United States and eligible to exercise rights entitlements and acquire rights equity shares in accordance with the legal requirements applicable in such shareholders' jurisdiction and in compliance with all applicable laws and regulations. By accessing this letter and its enclosures, you are hereby deemed to represent that you qualify under one of the foregoing criteria. This letter and its enclosures should not be reproduced, transmitted or distributed to any other person.

IF YOU ARE NOT PERMITTED TO VIEW THESE MATERIALS OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THESE MATERIALS, PLEASE TREAT THIS LETTER AS SENT FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE ACTED UPON FOR SUBSCRIPTION TO THE RIGHTS EQUITY SHARES AND SHOULD NOT BE COPIED OR REDISTRIBUTED.

With reference to above, please find below the details of Equity Shares held by you as on Record Date i.e., Friday, December 30, 2022 along with your Rights Entitlements for information:

Folio Number/ DP or Client ID	No. of Equity Shares held by you on Record Date being Friday, December 30, 2022	No. of Rights Entitlements

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/Rajapalayam1>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of the Company (i.e. www.rajapalayammills.co.in).

THIS IS TO INFORM YOU THAT THE CAPTIONED ISSUE OPENS FOR SUBSCRIPTION ON WEDNESDAY, JANUARY 18, 2023 AND ISSUE CLOSES[#] FOR SUBSCRIPTION ON TUESDAY, FEBRUARY 7, 2023.

[#]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.

You can access /download the Abridged Letter of Offer, and the Application Form to participate in the Issue, by clicking on the following links. Please note that these documents have to be read along with the email disclaimer, the link of which has been provided below:-

Abridged Letter of Offer <https://rights.cameoindia.com/Rajapalayam1>

Application Form <https://rights.cameoindia.com/Rajapalayam1>

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 further details, see “Terms of the Issue” beginning on page 114 of the Letter of Offer.

Process of making an Application in the Issue

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

Credit of Rights Entitlements in demat accounts of Eligible Shareholders

Pursuant to provisions of the SEBI ICDR Regulations read with SEBI Rights Issue Circulars and in terms of the Letter of Offer, the Rights Entitlements of the Eligible Equity Shareholders have been credited in their respective demat account under the ISIN - INE296E20026. For details of credit of the Rights Entitlements, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 128 of the Letter of Offer.

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.

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 “PROCESS OF MAKING AN APPLICATION IN THE ISSUE” ON PAGE 115 OF THE LETTER OF OFFER.

Trading of the Rights Entitlements

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 - 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. 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 more details, see "Procedure for Renunciation of Rights Entitlements" on page 130 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 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. For details, see "Procedure for Renunciation of Rights Entitlements" on page 130 of the Letter of Offer.

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.

Issue Schedule

You are requested to take note of the following schedule of the Issue:

Last Date for credit of Rights Entitlements⁵	Tuesday, January 17, 2023
Issue Opening Date	Wednesday, January 18, 2023
Last date for On Market Renunciation of Rights Entitlements[*]	Thursday, February 2, 2023
Issue Closing Date[#]	Tuesday, February 7, 2023
Finalization of Basis of Allotment (on or about)	Tuesday, February 14, 2023
Date of Allotment (on or about)	Thursday, February 16, 2023
Date of credit (on or about)	Monday, February 20, 2023
Date of listing (on or about)	Thursday, February 23, 2023

⁵Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Friday, February 3, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Monday, February 6, 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 Renounees 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.

ATTENTION FOR PHYSICAL SHAREHOLDERS

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:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 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.

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

1. Our Company at www.rajapalayammills.co.in;
2. The Registrar at <https://rights.cameoindia.com/Rajapalayam1>;
3. The Lead Manager i.e., Vivro Financial Services Private Limited at www.vivro.net;
4. The Stock Exchange www.bseindia.com

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: +91-44-40020710 / 0706 / 0741
- Updation of e-mail address/ mobile number in the records maintained by our Company: <https://rights.cameoindia.com/Rajapalayam1>
- Updation of Indian address in the records maintained by the Registrar or our Company by email to investor@cameoindia.com:
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/Rajapalayam1>
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: priya@cameoindia.com

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.

In case of any queries, you may contact the Company or the Lead Manager or Registrar at the details mentioned herein:

COMPANY	LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	VIVRO	
Rajapalayam Mills Limited Rajapalayam Mills Premises, Post Box No. 1, P.A.C. Ramaswamy Road, Rajapalayam – 626 117, Tamil Nadu, India. Telephone: +91-4563-235666 E-mail: investorgrievance@ramcotex.com Website: www.rajapalayammills.co.in Contact Person: A. Arulpranavam	Vivro Financial Services Private Limited Vivro House, 11, Shashi Colony, Opposite Suvudha 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	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 / https://rights.cameoindia.com/Rajapalayam1 Investor Grievance Email: investor@cameoindia.com Contact Person: K. Sreepriya SEBI Registration Number: INR000003753

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.

For RAJAPALAYAM MILLS LIMITED

Sd/-
A. Arulpranavam
Company Secretary and Compliance Officer