

Rungta Irrigation Limited



RUNGTA IRRIGATION LIMITED

Rungta Irrigation Limited (“Company or Issuer”) was originally incorporated as “Jindal Irrigation Private Limited” on April 17, 1986 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana (ROC), subsequently name of the company was changed to Rungta Irrigation Limited on April 04 1994. Shareholders of the Company passed special resolution at extra-ordinary general meeting held on May 09, 1994 by deleting the restriction clause under section (3)(1)(iii) of the Companies act 1956 in the article of association of the Company and such Company become public Company within the meaning of section 3(1)(iv) of Companies Act, 1956. For details of change in the name of our Company and Registered Office of our Company, see -History and Certain Corporate Matters on page [●] of this Letter of Offer.

Registered Office: 101 Pragati Towers Rajendra Place, New Delhi-110008, India

Tel: 011-40453330/40453331/40453332

Contact Person: Prateek Sharma, Company Secretary and Compliance Officer, E-mail: cs@rungtairrigation.in;

Website: www.rungtairrigation.in

Corporate Identification Number: L74899DL1986PLC023934

OUR PROMOTERS- MAHABIR PRASAD RUNGTA, PRIYA RUNGTA, SHRUTI RUNGTA, URMILA RUNGTA FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF RUNGTA IRRIGATION LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UPTO 1,10,70,125 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 11 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 1 PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 1217.71 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1.25 RIGHTS EQUITY SHARE FOR EVERY 01 (ONE) FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.1 TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE [●] OF THIS LETTER OF OFFER.

Payment Method			
Amount Payable per Rights Equity Share i.e. Issue Price	Face value (₹)	Premium (₹)	Total
On Application	3.00	0.00	3.00
On First Call	3.00	0.00	3.00
On Second Call	3.00	0.00	3.00
On Third and Final Call	1.00	1.00	2.00

*For details on the payment method, please refer to the chapter titled -Terms of the Issue on page [●] of this Letter of Offer.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares 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 contents of this Letter of Offer. Specific attention of the investors is invited to the section titled -Risk Factors on page [●] of this Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on Bombay Stock Exchange of India Limited (hereinafter referred as BSE or the -Stock Exchanges). Our Company has received ‘in-principle’ approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters even dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE

Beetal Financial & Computer Services Pvt Ltd
SEBI Regn. No.: INR000000262
Beetal House, 3rd Floor, 99, Madangir, Behind
LSC, New Delhi – 110062
Tel.: +91 11 2996 1281-83
Fax: +91 11 2996 1284
E-mail: beetal@beetalfinancial.com,
Investor Grievance e-mail id:
investor@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal

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SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

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

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on [●] and [●] respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”	Rungta Irrigation Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 101 Pragati Towers Rajendra Place New Delhi-110008,India
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Annual Audited Financial Statements”	The audited financial statements of our Company prepared under GAAP for financial year ended as on 2019, 2020 and 2021, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Audit Committee”	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Section [●] of the Companies Act, 2013. For details, see “Our Management” beginning on page _____ of this Letter of Offer.
“Auditor” / “Statutory Auditor”	The statutory auditor of the Company is Mamraj & Co. having firm registration number is 006396N
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Ms. Swati Garg, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Mr. Prateek Sharma, the Company Secretary and the Compliance Officer of our Company.
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company of face value of ₹ 10 each.
“Executive Directors”	Executive directors of our Company.
“Independent Director(s)”	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “Our Management – Key Managerial Personnel” beginning on page [●] of this Letter of Offer.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.

“Nomination and Remuneration Committee”	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section [●] of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” beginning on page [●] of this Letter of Offer.
“Non-executive Directors”	Non-executive Directors of our Company.
“Non-Executive and Independent Director”	Non-executive and independent directors of our Company, unless otherwise specified
Peer Review Auditor	The Company has appointed VAPS & Co. for the purpose of restated financial statement as at 31 st December 2020 & as on 31 st March 2020, 31 st March 2019 & 31 st March 2018
“Promoter”	The Promoters of our company namely Shri. Mahabir Prasad Rungta, Ms. Priya Rungta, Ms. Shruti Rungta, Ms. Urmila Rungta. For further details, see “ <i>Our Promoters</i> ” beginning on page [●] of this Letter of Offer.
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Registered Office”	The registered office of our Company located at 101 Pragati Towers Rajendra Place New Delhi-110008, India
“Registrar of Companies”/ “RoC”	Registrar of Companies, Delhi situated at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.
“Restated Financial Statements”/ “Restated Standalone Financial Statements”	Restated standalone financial statements of our Company for the financial year ended on 31 st March 2018, 2019, 2020 and as at 31 st December 2020 prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see “ <i>Financial Statements</i> ” on page [●] of this Letter of Offer.
“Rights Issue Committee” / “FundRaising Committee”	The committee constituted in the Board meeting dated [●] for finalizing the term of the Issue and take all appropriate decision and steps as it may deem fit in relation to the Issue, in accordance with the applicable provisions of the Listing Regulations and the Companies Act, 2013.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
“Stakeholders’ Relationship Committee”	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” beginning on page [●] of this Letter of Offer.

Issue Related Terms

2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011.
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer/Letter of Offer, being an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form)

	available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Money	The board of directors decided Rs. 3 per equity share as application money
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouces) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being Kotak Bank.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “Terms of the Issue” beginning on page [●] of this Letter of Offer.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” beginning on page [●] of this Letter of Offer.
Issue / Rights Issue	Issue of up to 1,10,70,125 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ 11 per Rights Equity Share aggregating upto ₹ 1217.71 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1.25:1 (1.25 Rights Equity Shares for every 1 Equity Shares held) by the Eligible Equity Shareholders of our Company on the Record Date i.e. _____, 2021.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 11 per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount not exceeding ₹ 1217.71 lakhs.
Letter of Offer/LOF	This letter of offer to be filed with the Stock Exchanges and submitted with SEBI.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further

	information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” beginning on page [●] of this Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounces.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
R-WAP	Registrar’s web-based application platform accessible at [●] instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24 2020; and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/ submitting online Application Forms by resident public Investors. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being.
“Registrar to the Issue” / “Registrar”	Beetal Financial & Computer Services Pvt. Ltd
Registrar Agreement	Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the issue pertaining to the Issue including in relation to the R-WAP facility.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounces on or prior to the Issue Closing Date i.e. [●].
Retail Individual Bidders(s) / Retail Individual Investor(s)/ RII(s)/ RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] 1.25:1 (1.25 Rights Equity Shares for every 1 Equity Shares) held. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date i.e. [●]
Rights Entitlement Letter	Letter including details of rights entitlements of the eligible equity shareholders. The rights entitlements are also accessible through the R-WAP and on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2020

Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time.
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Delhi are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
CAGR	Compounded Annual Growth Rate
Covid-19	Coronavirus Disease 2019
GDP	Gross Domestic Product
GVA	Gross Value Added
INR	Indian Rupee (₹)
MMT	Million Metric Tonnes
PE	Polyethylene
PLEXCONCIL	Plastics Export Promotion Council
PP	Polypropylene
PVC	Polyvinyl chloride resins
Recycled Material	Recycled Plastic Waste
USA/US	United States of America
USD/ US\$	US Dollar

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax

CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CPCB	Central Pollution Control Board
CSE	Centre for Science and Environment
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations Thereunder
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GOI
Mn / mn	Million
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number

IT	Information Technology
MCA	The Ministry of Corporate Affairs, Gol
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PWM Rules, 2018	Plastic Waste Management Rules, 2018
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933.
SPCBs/PCCs	State Pollution Control Board or Pollution Control Committee
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
UT	Union Territories of India
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

w.e.f.	With effect from
WHO	World Health Organisation
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated 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. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they 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 or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAXOR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

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

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to “India” contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Restated Financial Statements. For details, please see “*Financial Information*” beginning on page [●] of this Letter of Offer. Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Audited Financial Statements of our Company for the Financial Year ended March 2018, March 2019 and March 2020 and the nine months period ended December 31, 2020 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “Financial Information” beginning on page [●] of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of

certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
 - “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America;
- and

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)				
Sr. No.	Name of the Currency	As of December 31, 2020	As of March 31, 2020	As of March 31, 2019
1.	1 United States Dollar	73.05	75.39	69.17

(Source: RBI reference rate)

*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page [●] of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Any disruption in our sources of funding or increase in costs of funding;
- Engagement in a highly competitive business and a failure to effectively compete;
- We are affected by volatility in interest rates, adversely affecting our net interest income;
- An adverse determination in an ongoing litigation to which Company is a party;
- A downturn in the utility of our products to the industries we cater to;
- A reduction in the demand of our products and/or competing products gaining wider market acceptance;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- A significant fall in the global price of our products and/or a significant rise in the global price of our raw materials; and
- A decrease in the demand for the products of our customers in which our Products are used and/or a downfall in production activities.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages [●], [●] and [●] respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*” and “*Terms of the Issue*” beginning on pages [●], [●], [●], [●], [●], [●], [●] and [●] respectively.

1. Summary of Industry

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

India’s GDP (at constant 2011-12 prices) was estimated at Rs. 33.14 trillion (US\$ 452.74 billion) for the second quarter of FY2020-21, against Rs. 35.84 trillion (US\$ 489.62 billion) in the second quarter of FY2019-20.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report ‘Indian Tech Start-up’.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 581.131 billion in the week up to December 18, 2020 according to data from RBI.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity–Venture Capital (PE-VC) companies expanded from US\$ 36.3 billion (1,012 deals) in 2019 to US\$ 39.2 billion (across 814 deals) in 2020. Some of the important recent developments in Indian economy are as follows:

- India’s overall exports from April 2020 to November 2020 were estimated at US\$ 304.25 billion, (a 14.03% decrease over the same period last year). Overall imports from April 2020 to November 2020 were estimated at US\$ 290.66 billion, (a 29.96% decrease over the same period last year).
- According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 56.4 in December 2020, against 56.3 in November 2020, indicating a higher growth for manufacturers speeding up production and boosting efforts to rebuild their inventories.
- Gross tax revenue stood at Rs. 7.21 trillion (US\$ 98.50 billion) in the first six months of FY21.
- FDI inflows in India stood at US\$ 39.93 billion between April 2020 and September 2020, 10% higher than the first six months of 2019-20 (US\$ 36.05 billion).
- India’s Index of Industrial Production (IIP) for October 2020 stood at 128.5, against 123.2 for September 2020.
- Consumer Food Price Index (CFPI) – combined inflation was 9.43% in November 2020, against 11.07% in October 2020.
- Consumer Price Index (CPI) – combined inflation was 6.93% in November 2020, against 7.61% in October 2020.

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- On January 6, 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million to upgrade the State Highway network and district road network in Andhra Pradesh.
- On January 5, 2021, the Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust of the Prime Minister allocated Rs. 201.58 crore (US\$ 27.56 million) to establish 162 additional dedicated pressure swing adsorption (PSA) medical oxygen generation plants within the country's public health facilities.
- On January 5, 2021, a US\$ 105 million project to develop the inland water transport system in Kolkata, West Bengal, was signed by the Government of India, Government of West Bengal and the World Bank.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 231 million loan to boost electricity generation capacity in Assam through the establishment of a hydroelectric power plant of 120 megawatts (MW) that will strengthen household electricity availability.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 100 million loan to modernise and upgrade the power distribution system to boost the quality and efficiency of electricity supply in Bengaluru, Karnataka.
- In December 2020, the Indian cabinet approved assistance of ~Rs. 3,500 crore (US\$ 478.60 million) for sugarcane farmers (Ganna Kisan).
- The Prime Minister of India, Shri. Narendra Modi announced various economic packages worth ~Rs. 30 trillion (US\$ 410 billion), which was ~15% of India's GDP.
- In December 2020, the Government of India and New Development Bank (NDB) signed a loan agreement to lend US\$ 1 billion via the Mahatma Gandhi National Rural Employment Guarantee Scheme to support the 'Aatmanirbhar Bharat' initiative.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road Ahead

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%, and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Note: Conversion rate used for December 2020 is Rs. 1 = US\$ 0.014

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

For further details, please refer to the chapter titled "Industry Overview" beginning on page [●] of this Letter of Offer.

2. Summary of Business

The Company was incorporated on Apr. 17, 1986 as a private limited company. Earlier known as M/S Jindal Irrigation Private Limited, it became a public limited company with the present name of M/S Rungta Irrigation Ltd. on 4th April, 1994.

The key products of the Company include Sprinklers and Drip irrigation systems; Aluminium, Polyvinyl chloride (PVC), and High density polyethylene (HDPE) pipes and Fountains. The company has established a strong dealership network with branches across the country.

RUNGTA group of Companies started with a vision — A vision of contributing to diversified sectors of the economy to make it more competitive, vibrant and resilient. Starting with its core competence in the area of Irrigation systems, it has now diversified into various other related areas and has established its name in the industry with its countrywide presence.

For further details, please refer to the chapter titled “*Our Business*” beginning on page [●] of this Letter of Offer.

3. Our Promoters

The Promoters of our company are Shri. Mahabir Prasad Rungta, Ms. Priya Rungta, Ms. Shruti Rungta, Ms. Urmila Rungta

4. Objects of the Issue

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

Particulars	Amount (in lakhs)
Gross Proceeds from the Issue#	[●]
Less: Estimated issue related expenses	[●]
Net Proceeds from the Issue	[●]

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

Particulars	Amount (in lakhs)
Repayment of Loan	[●]
Working Capital Requirement	[●]
General Corporate Purpose	[●]
Net Proceeds from the Issue	[●]

For further details, please see the chapter titled “*Objects of the Issue*” beginning on page [●] of this Draft Letter of Offer.

5. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information as at and for the financial year ended on March 31, 2018, 2019 and 2020 and the nine month period ended December 31, 2020:

(₹ in lakhs)

Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Authorised Share Capital				
Paid-up Capital	885.61	885.61	885.61	885.61
Reserve & Surplus	5543.89	5377.28	5026.18	4993.30
Net Worth	6429.50	6262.89	5911.79	5878.91
Revenue from operation	2651.50	4518.29	5756.95	5750.71
Profit after tax	150.97	357.28	(9.75)	(111.60)

Earnings per Share (basic & diluted) (in ₹)	1.70	4.03	(0.11)	(1.26)
Net Asset Value per Equity Share (in ₹)	1.88	3.96	0.37	1.20
Total Borrowings	1419.30	1278.92	1408.42	1756.08

6. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, and our Directors is provided below:

(A) **Pending Litigations Relating to the Company**

(i)	Labour Cases filed against the Company	: 3
(ii)	Labour Cases filed by the Company	: NIL
(iii)	Civil Cases filed against the Company	: 7
(iv)	Civil Cases filed by the Company	: 5
(v)	Criminal cases against the company	: 1
(vi)	Criminal cases filed by the company	: 9
(vii)	Notices served on the Company	: NIL
(viii)	Tax related matters (against the Company)	: Not Ascertainable

Tax Related Matters

Tax Claims made against the Company

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	13	15,71,671
Indirect Tax	0	0
Total	13	15,71,671

(B) **Pending Litigation Relating to the Promoters of the Company**

a)	Criminal Case against the promoters	: 1
b)	Civil Cases Against the Promoters	: NIL
c)	Criminal Cases Filed by the Promoters	: NIL
d)	Civil Case Filed by the Promoters	: NIL
e)	Cases Relating to Tax Matters	: NIL

(C) **Pending Litigations Relating to the Directors of the Company**

a)	Criminal case against the Directors	: 1
b)	Civil Cases Against the Directors	: NIL
c)	Criminal Cases Filed by the Directors	: NIL
d)	Civil Case Filed by the Directors	: NIL
e)	Cases Relating to Tax Matters	: NIL

OUTSTANDING DUES TO CREDITORS

Particulars	No. of Creditors	Amount Outstanding (in Rs.)
Micro, Small and Medium Enterprise	Nil	Nil
Material dues to creditors	Nil	Nil
Other dues to creditors	Non Ascertainable	93,91,000/-
Total	Non Ascertainable	93,91,000/-

There have been no past cases in which penalties have been imposed on the Company, the Promoters and Directors

There has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, Directors and Promoters during the last 5 financial years.

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page [●] of this Letter of Offer.

7. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page [●] of this Letter of Offer.

8. Summary of Contingent Liabilities

Please see the chapters titled “*Restated Financial Information*” beginning on page [●] of the Restated Financial Information in this Letter of Offer.

9. Summary of Related Party Transactions

Please refer “*Restated Financial Information*” beginning on page [●] of the Restated Financial Information in this Draft Letter of Offer.

10. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

11. Split or consolidation of Equity Shares in the last one year

Our Company has not carried any split or consolidation of Equity Shares in last one year.

12. Reclassification of authorized share capital of the Company

The Company via postal ballot on 18th March 2021 reclassified its unissued authorised share capital of 12% redeemable cumulative preference share having face value of Rs. 100 each and 1,00,000 redeemable cumulative preference share having face value of Rs. 100 each into 60,00,000 (sixty lakh) equity shares of Rs 10 each amounting to Rs. 6,00,00,000 (Rs. Six crore only).

SECTION II - RISK FACTORS

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

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages [●], [●] and [●] of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from the report titled “India Plywood and Laminates Market” published by Research Nester. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the information in the industry report or other publicly available information cited in this section.

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

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

Materiality:

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

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively; and*
- Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Rungta Irrigation Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. ***There are outstanding litigations involving our Company & our Promoters, which, if determined adversely, may adversely affect our business and financial condition.***

As on the date of this Letter of Offer, our Company, our Promoters, our Directors and our Group Companies are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters, our Directors and our Group Companies, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies are provided below:

(D) Pending Litigations Relating to the Company

(i) Labour Cases filed against the Company	: 3
(ii) Labour Cases filed by the Company	: NIL
(iii) Civil Cases filed against the Company	: 7
(iv) Civil Cases filed by the Company	: 5
(v) Criminal cases against the company	: 1
(vi) Criminal cases filed by the company	: 9
(vii) Notices served on the Company	: NIL
(viii) Tax related matters (against the Company)*	: Not Ascertainable

***Tax Related Matters**

Tax Claims made against the Company

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	13	15,71,671
Indirect Tax	0	0
Total	13	15,71,671

(E) Pending Litigation Relating to the Promoters of the Company

a) Criminal Case against the promoters	: 1
b) Civil Cases Against the Promoters	: NIL
c) Criminal Cases Filed by the Promoters	: NIL
d) Civil Case Filed by the Promoters	: NIL
e) Cases Relating to Tax Matters	: NIL

(F) Pending Litigations Relating to the Directors of the Company

a) Criminal case against the Directors	: 1
b) Civil Cases Against the Directors	: NIL
c) Criminal Cases Filed by the Directors	: NIL
d) Civil Case Filed by the Directors	: NIL
e) Cases Relating to Tax Matters	: NIL

OUTSTANDING DUES TO CREDITORS

Particulars	No. of Creditors	Amount Outstanding (in Rs.)
Micro, Small and Medium Enterprise	Nil	Nil
Material dues to creditors	Nil	Nil
Other dues to creditors	Non Ascertainable	93,91,000/-
Total	Non Ascertainable	93,91,000/-

There have been no past cases in which penalties have been imposed on the Company, the Promoters and Directors

There has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, Directors and Promoters during the last 5 financial years.

For further details, please see the chapter titled “Outstanding Litigation and Material Developments” beginning on page [●] of this Letter of Offer.

2. ***In the past, there have been instances of delays and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC. Further, there have also been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings.***

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. Further, there have been instances of non-filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013.

No show cause notice in respect to the above has been received by our Company till date and except as stated in this Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

3. ***As the securities of our Company are listed on Bombay Stock Exchange (BSE) in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations and comply with other SEBI regulations. Any non-compliance in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, SEBI takeover regulations & SEBI (ICDR) regulations and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations/reporting requirements, however there have been instances in the past of non-disclosures/delayed disclosures under SEBI Listing Regulations. Such non-compliance which might have been committed by us, may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

4. ***The Independent Directors of the Company has not pass the online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs to approve proficiency of a person to be appointed as an Independent Director of any company.***

As per Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual who intends to get appointed as an independent director in a company shall before such appointment apply online to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank maintained by mentioned institute. Further, every individual

whose name is so included in the aforesaid data bank shall pass an online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs within a period of 2 years from the date of inclusion of his/her name in the data bank, failing which, his/her name shall stand removed from the databank of the Indian Institute of Corporate Affairs. The Independent Directors of our company viz. Mr. Vivek Aggarwal, Devesh Poddar & Mr. Abdul Kalam, details of whose appointments can be referred in the chapter titled “Our Management” at page [●] of this Draft Letter of offer, have been appointed duly as per the provisions of the Companies Act, 2013 and their name has been included in the aforesaid data bank except Vivek Aggarwal but they have not yet passed the proficiency self-assessment test, and if they fail to pass the same within a period of 2 years from the date of inclusion of their names in the data bank their names will be removed from the databank of the Indian Institute of Corporate Affairs and they will be ineligible to act as Independent Directors of the Company.

Furthermore, as per the information provided by Company Mr. Abdul Kalam has not required to pass the online proficiency self-assessment because he has served for a total period of more than as required into a listed Company as director.

5. Our Company has posted negative profits in the past.

Our Company has in the past incurred losses. There can be no assurance that we will be able to maintain the profitability in future. The details of profit/loss incurred (in lakhs) are as mentioned below:

(Amount in Lakhs)

Particulars	31 st December 2020	For the year ended on March		
		2020	2019	2018
Restated profit/ loss for the year	150.97	357.28	(9.75)	(111.60)

6. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(Amount in Lakhs)

Particulars	31 st December 2020	For the year ended on March		
		2020	2019	2018
Net Cash Generated from Operating Activities	(325.68)	557.02	511.14	227.68
Net Cash Generated From Investing Activities	(214.10)	161.03	11.98	63.36
Net Cash Generated from Financing Activities	107.83	(271.43)	(525.73)	(358.72)

7. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Being into manufacturing business there exist substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. The details of our working capital in last 3 years and stub period are as under which is showing continuous increase:.

Particulars	As at 31 st Dec 2020	2019-20	2018-19
Current Assets			
Current Investments	-	-	-
Inventories	1,129.55	861.19	1,018.80
Trade Receivables	2,614.87	2,442.82	2,539.24
Cash and Cash Equivalents	105.11	537.05	90.43
Short-term Loans and Advances	1,519.18	1,292.27	1,039.83
Current Tax Asset (Net)	56.59	-	31.37
Other Current Assets	1,111.86	1,011.62	1,172.05
Total (A)	6,537.16	6144.95	5,892.02
Current Liabilities			
Short Term Borrowings	1,152.58	1041.93	1068.12

Trade Payables	93.91	242.83	207.95
Other Current Liabilities	944.60	641.45	698.91
Short-term Provisions	113.04	122.33	53.27
Total (B)	2,304.13	2,048.54	2,028.25
Net Working Capital (A) - (B)	4233.03	4,096.41	3,863.83

A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. The significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

8. ***Our Company's has no insurance coverage to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work at any other location except these two locations " C-165/176, Bulandshahar Road Industrial Area, Ghaziabad-201012" & F-3-201, Adavipolam Village, Yanam-533464***

Our Company has not insured itself against business or operational risks. The Registered office & other branch offices except " C-165/176, Bulandshahar Road Industrial Area, Ghaziabad-201012" & F-3-201, Adavipolam Village, Yanam-533464 , Place of Business and other assets owned by the Company are not insured. In the event of loss due to Fire, Injury and other accidents to Property may result in disruptions of operations and monetary loss. The loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

9. ***Our Company has historical records relating to capital formation or capital built-up since FY 2011-12 onwards .We cannot assure you that the records prior to FY 2011-12 will be available in the future or that we will not be subject to any action by the any regulatory authority in this respect.***

Our Company has records relating to capital formation from FY 2011-12 onwards. Our Company is unable to trace such records prior to FY 2011-12. We cannot assure you that those records prior to FY 2011-12 will be available in the future or that we will not be subject to any actions by any regulatory authority in this respect.

10. ***Any disturbance in or shutdown of our Manufacturing Facilities may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations .***

Our manufacturing operations are operational at Ghaziabad, Pondicherry. As on the date of this draft letter of offer, the manufacturing facilities are dedicated towards the manufacture of Elastomeric u PVC Pipes, Electrical Conduits Pipes, RIGID PVC pipes & HDPE piping system. For further details, see "Our Business" beginning on page [●] of this Letter of Offer. Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facility, which is subject to operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest and natural disasters. In the event there are any disruptions at our manufacturing facility, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, our ability to manufacture our products may be adversely affected. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing facility, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations

11. ***Any significant shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions. We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. We do not have long-term contracts with our suppliers. We typically purchase raw materials on a purchase order basis. Consequently, we may be required to regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices. The absence of long-term supplier contracts subjects us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Further, we cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. Our suppliers may also be unable to provide us with sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. While, we typically sell our products to our customers on a purchase order basis, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. If we are unable to purchase the raw materials from such suppliers for any reason including due to cessation of operations by such suppliers, disputes with such suppliers, or if there is a substantial increase in the prices charged by such suppliers, there can be no assurance that we will be able to identify alternative suppliers for our raw materials at similar cost and other terms of purchase. Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition.

12. ***Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

Our Company has entered into agreements for our borrowings with Kotak & Mahindra Bank Limited. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure (including this present proposed Rights Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan and unsecured loans, undertake guarantee obligations, which require our Company to obtain prior approval of the lenders for any of the above activities. We have applied to all the relevant lenders for consent/no objection certificate to undertake the Issue. As on date of this Letter of Offer, we are yet to receive consents. Undertaking the Issue without such consents constitutes a breach of covenant under the relevant financing documents, which entitles the respective lender to consider this Issue as an event of default under the loan agreements and they may call up the entire outstanding amount and make it payable forthwith at their discretion. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with respect to any such breaches. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

13. ***Our ability to attract new customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality. Any failure by us to retain or attract customers may impact its business and revenues.***

We believe that our strong brand reputation has helped us to attract our customers. As a result, our reputation and perception of our brands are critical to our business. Our business heavily relies on our reputation, quality and popularity of our product, our visibility and perception amongst customers. Therefore, it is important that we retain the trust placed on us by our customers. At the same time, we must also continue to attract more

number of customers at a consistent rate. Though, we attempt to retain our position by maintaining and improve our product offerings yet failure on our part to maintain and enhance our reputation or product quality and services may act as an hindrance in attainment of our customers 'retention and addition objectives which in turn may adversely impact our business and revenues.

14. ***While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However, to run our business, we require certain regulatory permits and approval.***

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained all permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all.

15. ***Our Company depends on its brand recognition. Its ability to retain the present number of customers serviced by it and attract new customers depends upon various factors including its reputation and its ability to maintain a high level of quality of its products and services at competitive prices. Any failure by the Company to retain or attract customers may impact our business and revenues.***

Our Company believes that brand recognition is important for its business due to relatively low barriers of entry in its market. A company's business heavily relies on its reputation as well as the quality and popularity of the products and services provided by it and its visibility and perception amongst customers. Our Company's attempt to retain its position in the industry in which it operate and further build its reputation by maintaining quality and constantly striving to improve its value proposition to customers. As the market becomes increasingly competitive, maintaining and enhancing our Company's brand will become critical to ensure that it continues to remain a competitive products and services provider relating to education solutions. Prospective clients gain awareness of our Company's services through interactions with its existing clients. While our Company still believes that considering the time period since we have started, it has achieved reasonable scale in its business, any decrease in the number of customers which avail our services or delay in its expansion plans may lead to slowdown in its growth and scale. If our clients are consistently provided with inaccurate services, or are provided with sub-standard services, they may become dissatisfied with the quality of the services provided by us which may in turn dilute the Company's branding and materially adversely affect its reputation and consequently its business. Failure to maintain and enhance the Company's reputation or any actual or perceived reasons leading to reduction of benefits from its projects and services or any negative publicity against us may adversely impact our ability to retain and attract new customers which shall consequently affect the brand reputation and consequently its business and results of operations.

16. ***If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our sales channel and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees or marketing agents will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market conditions and other data or the strategies that we may use in future to use will be successful under various market conditions.

17. ***Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company even after the rights issue which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post this rights issue, our Promoters and Promoter Group will collectively own majority of our post issue

equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

18. ***Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us.***

Our Company will be severely dependent on its promoters to effectively implement its growth strategies. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Financial impact of the aforesaid risk cannot be reasonably quantified.

19. ***Our success depends largely on our senior management and our ability to attract and retain our key personnel.***

Our success depends on the continued services and performance of our senior management and sales agents. Competition for senior employees and sales agents in the industry is intense and we may not be able to retain our existing team members or attract and retain new team members in the future. The loss of any member of our key team may adversely affect our business, results of operations and financial condition. We do not maintain key man_s life insurance for our Promoters, senior members of our management team or other key personnel.

20. ***In addition to normal remuneration or benefits and reimbursement of expenses, our Promoters, our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding, and dividend entitlements etc.***

Our Promoters, Directors and Key Management Personnel are deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlements, and benefits deriving from the directorship in Rungta Irrigation Limited. Our Promoters are interested in the transactions entered into the Company and its Promoter Group. For further information, please refer to the section titled “Our Promoter and Promoter Group”, “Capital Structure”, “Our Management” and “Related Party Transactions”, beginning on pages [●],[●] and [●] respectively of this draft offer document.

21. ***The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.***

The fund requirement and deployment, as mentioned in the —Objects of the Issuel on page [●] of this draft offer document is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter —Objects of the Issuel is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter —Objects of the Issuel will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

22. ***There is no monitoring agency appointed by our Company and the deployments of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.***

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

23. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details regarding our dividend policy, please see —Dividend Policy on page no. [●] of this Draft letter of offer.

24. ***Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. It is conducive for us to set the bar for the quality of our products higher than our competitors and to ensure that the products manufactured by us would meet the quality standards which are set for our products as deviation from the same can cause our customers and distribution intermediaries to reject our products and can also damage our reputation and brand value.

As per the formal agreements which have been entered into by us with our distribution intermediaries, in the event the quality of our products or our products suffer from defects and are returned to the intermediaries due to quality complaints received from the end users, we would be bound to take back the dead stock lying with the intermediaries at our own expense and would have to reimburse the expenses or financial losses incurred by the intermediaries on such stocks. Such quality lapses could strain our relationship with our distribution intermediaries and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our intermediaries may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers or intermediaries for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

25. *Unsecured loans have been taken by our Company which can be recalled by the lenders at any time.*

The unsecured loans standing in the restated financial statement of our Company as on December 31, 2020 is Rs.1419.30 Lakh. The same loan can be recalled by the respective lenders at any point of time, if our Company fails in repaying the loan obtained by it, shall cause reputational loss to our Company. For details of Unsecured Loan, please refer —Financial Statement as Restated|| page number [●] of this draft letter of offer.

26. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.*

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

27. *We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.*

All our manufacturing units have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations.

Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. There is limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost- effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled —Our Business- Power| on page ___ of this Letter of Offer.

28. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.*

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international

markets. Further, we do not deal with end use customers, therefore we will have to engage distributors, dealers and other intermediaries to enter the international markets. If we are unable to make long-lasting relations with the major intermediaries in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

29. *Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

The laminate industry in India is fragmented and competitive with both organized and unorganized markets. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see —Industry Overview| on page [●] of this Letter of Offer.

30. *Our growth and our financial results may be affected by factors affecting the real estate industry in India.*

Our financial results are influenced by the macroeconomic factors determining the growth of the Indian economy as a whole and real estate sector in particular. The interior infrastructure sector is influenced by a growth in disposable income. A buoyant economy and rising per capita income and easy availability of housing finance drive urbanization, fueling growth in housing and creating room for the interior infrastructure. The demand for interior infrastructure products is primarily dependent on the demand for real estate which influences the demand for plywood, laminates and other interior infrastructure products.

Periods of slowdown in the economic growth of India has significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for plywood, laminates and other infrastructure products and the results of our operations. Especially, during the ongoing pandemic, the economy as a whole has withstood the worst impact of extended lockdown and reduction in the flow of income. Real estate and the interior infrastructure sector industries may see a downside in the current situation and an adverse and direct impact could fall on our business operations, demand of our products, revenue and financial condition.

31. *Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoter, Mahabir Prasad Rungta holds the position of managing director in our Company and therefore may be deemed to be interested in any remuneration which may be payable to her in such capacity. Our Promoters, Director and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraph titled — Our Immovable Properties| in the chapter titled — Our Business|, the paragraphs titled — Interest of our Directors| in the chapter titled — Our Management|, the paragraphs titled — Interest of our Promoter and Other Interests and Disclosures| in the chapter titled — Our Promoter and Promoter Group|, —Financial Indebtedness| and —Restated

Financial Information- Annexure V- Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24 on pages [●], [●], [●], [●] and [●] respectively, of this Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control approximately 38% in our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

32. ***Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately 38.27% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

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

As of March 31, 2020, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group and our Group Companies relating to our operations. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2020. For further details, please refer to the chapter titled — —Restated Financial Information- Annexure V- Notes to Restated Financial Statements- Note 43- Related Party Disclosures as per Ind AS 24 at page [●].

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

34. ***In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on December 31, 2020 our Company's total fund based indebtedness is ₹ 1419.30 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — *Financial Indebtedness* on page [●] of this Letter of Offer.

35. ***Our Company has taken certain unsecured loans from our Promoters, members of our promoter group and financial institutions, which may be recalled at any time.***

As on December 31, 2020, our Company has outstanding unsecured loans aggregating to ₹ 590.37 lakhs, which have been extended by our Promoters, members of our promoter group and financial institutions and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see –*Financial Indebtedness* on page [●] of this Letter of Offer.

36. ***Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

37. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

Our Company depends on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our Directors have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — Our Management on page [●] of this Letter of Offer.

38. ***Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

Our manufacturing activities are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, the State Forest Policy, State Pollution Control Board and Central Empowered Committees for health & safety. These include laws and regulations about discharge of effluents, polluted emissions, hazardous substances etc. For further details please refer to the chapter titled — Key Industry Regulations and Policies on page [●] of this Letter of Offer.

39. ***Our Company is highly dependent on skilled contract labour for manufacturing of our products. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire skilled contract labour, the quality of our products being manufactured in our units can get affected.***

Our operations are significantly dependent on access to a large pool of contract laborers for operation of our manufacturing unit. As of December 31, 2020, while we had [●] permanent full-time employees, we also

employed contract laborers under the Contract Labour (Regulation and Abolition) Act, 1970. The number of contract labourers employed by us varies from time to time based on the nature and extent of work in which we are involved. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract laborers during peak periods. Further, our manufacturing unit and our proposed manufacturing unit are surrounded by a number of industries, which may create a demand- supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In addition to the above, in view of the ongoing pandemic and the lockdown which was imposed by several State and Central Governments, there is an acute shortage of unskilled laborers, since most of the unskilled workers have returned to their native places due to the widening income gap and lack of adequate resources to sustain their livelihood. In the event, we are unable to source adequate numbers of unskilled laborers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of unskilled laborers, we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages charged by the laborers, we may have to increase the cost of our product which would directly impact our distribution intermediaries and our end use customers.

As of December 31, 2020, while we had [●] permanent full-time employees, we also employed contract laborers to carry out our manufacturing processes under the Contract Labour (Regulation and Abolition) Act, 1970. We believe our employees and unskilled labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

40. *Our operations can be adversely affected in case of industrial accidents at our manufacturing unit.*

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. However, we cannot assure you that such instances would not happen in the future, leading to death or disablement of our employees. Although, we have availed workmen compensation policy, group personal accident insurance policy, group health insurance policy and public industrial liability policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources. Our Company has adopted adequate safety measures, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

41. *Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.*

Our Company is involved in various business transaction with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularise the payment. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of

operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled —Dividend Policy| and the chapter titled —Financial Indebtedness| on pages [●] and [●] respectively, of this Letter of Offer.

43. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.*

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

44. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.*

As the issue size shall be less than ₹10,000 lakhs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — *Objects of the Issue* | on page [●] of this Letter of Offer.

45. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available in the report titled “India Plywood and Laminates Market” published by “Research Nester” and such data has not been independently verified by us.*

We have not commissioned an industry report for the disclosures which need to be made in the chapter titled —Industry Overview| of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available in the report. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

ISSUE SPECIFIC RISKS

46. *Our Company will not distribute this Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (**the —Offering Materials**) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

47. ***SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in the Draft Letter of Offer and this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible equity shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible equity shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see —Terms of the Issue on page [●].

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 i.e. [●], 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 or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

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

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

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

49. ***The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

50. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

53. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future. Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

54. ***Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to

exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

55. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

56. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

58. *The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.*

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we

determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

59. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.*

Our restated summary statements of assets and liabilities as at December 31, 2020 and restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2020 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

60. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

61. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (—ICDS), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules (—GAAR) have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

63. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

64. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to

our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

65. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

66. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (—GST) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (—Finance Act) on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the

same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (**—Bill**) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on June 30, 2021 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled —Terms of the Issue on page ___ of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 88,56,100 Equity Shares
Rights Entitlement	Upto 1.25 Rights Equity Share for every 01 (one) fully paid-up Equity Shares held on the Record Date
Record Date	[●]
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ 11/-
Issue Size	Upto 1,10,70,125 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 11 (Including a premium of ₹ 1/-) per Rights Equity Share not exceeding an amount of ₹ 1217.71 Lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,10,70,125 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 1,99,26,225 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Upto 1,99,26,225 Equity Shares
Money payable at the time of Application	₹ 3.00
Money payable at the time of First Call	₹ 3.00
Money payable at the time of Second Call	₹ 3.00
Balance payable at the time of Third and Final Call	₹ 2.00
Call Payment Period	A period as may be fixed by the Board or its committee to enable the payment of the Calls by the holders of partly paid-up Rights Equity Shares
Script Details	ISIN: INE347C01013 BSE: 530449
Use of Issue Proceeds	For details please refer to the chapter titled – <i>Objects of the Issue</i> on page [●] of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled – <i>Terms of the Issue</i> on page [●] of this Letter of Offer.

Terms of Payment

The terms of payment for this Issue are as follows:

Amount payable per Rights Equity Share	Face Value (₹)	Premium (₹)	% of Issue Price	Total (₹)
On Application	3.00	0	27	3.00
On First Call	3.00	0	27	3.00
On Second Call	3.00	0	27	3.00
On Third and Final Call	1.00	01	19	2.00
Total	10	01	100	11

Please refer to the chapter titled —Terms of the Issuel on page [●] of this Letter of Offer.

Issue Schedule

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

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

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

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at 31st December, 2020 and for the Fiscals 2020, 2019 and 2018. The Restated Financial Information referred to above is presented under the section titled “Financial Information” on page [●]. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages [●] and [●], respectively.

RESTATED SUMMARY OF ASSETS AND LIABILITIES

(Amount in lakhs)

Particulars	Annexure VII Note	As at December 31,2020	As at March 31,2020	As at March 31,2019	As at March 31,2018
ASSETS					
Non-current Assets					
Property, Plant and Equipment	3.1	564.73	412.64	569.55	694.72
Capital work in progress		-	1.41	-	-
Intangible Assets	3.2	0.13	0.13	0.11	0.17
Right of Use Asset	4	303.30	306.19	310.04	313.87
Financial Assets					
(i) Investments	5	1,394.43	1410.27	1,367.18	1,423.31
(ii) Others	6	170.70	183.85	168.02	309.42
(iii)Loans		-	-	-	-
Deferred tax assets (Net)	7	70.69	143.38	35.27	15.30
Total non-current assets(A)		2503.98	2,457.87	2,450.17	2,756.79
Current Assets					
Inventories	8	1,129.55	861.19	1,018.80	939.30
Financial Assets					
(i) Trade receivables	9	2,614.87	2,442.82	2,539.24	2,984.93
(ii) Cash and cash equivalent	10	105.11	537.05	90.43	93.04
(iv) Loans	11	1,519.18	1,292.27	1,039.83	1,021.42
(v) Others	12	2.23	2.04	5.61	1.50
Current Tax assets (Net)	13	56.59	-	31.73	30.21
Other current assets	14	1,109.63	1,009.58	1,166.44	1,101.75
Total Current assets(B)		6,537.16	6,144.95	5,892.08	6,172.15
TOTAL ASSETS(A+B)		9,041.14	8,602.82	8,342.25	8,928.94
EQUITY AND LIABILITIES					
Equity					
Equity share capital	15	885.61	885.61	885.61	885.61
Other equity	16	5,543.89	5,377.28	5,026.18	4,993.30
Total equity(A)		6429.4953	6,262.89	5,911.79	5,878.91

Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	17	266.72	236.99	340.30	471.39
(ii) Others		-	-	-	-
Long term provisions	18	40.80	54.40	61.91	50.19
Deferred tax liabilities (Net)	7	-	-	-	-
Total non-current liabilities(B)		307.52	291.39	402.21	521.58
Current liabilities					
Financial liabilities					
(i) Borrowings	19	1,152.58	1,041.93	1,068.12	1,284.62
(ii) Trade Payables	20	93.91	242.83	207.95	107.51
(iii) Others	21	222.68	182.14	147.98	245.37
Other current liabilities	22	721.92	459.31	550.93	839.76
Short term provisions	23	113.04	122.33	53.27	51.19
Total current liabilities(C)		2,304.13	2,048.54	2,028.25	2,528.45
Total liabilities(B+C)		2611.6536	2339.93	2,430.46	3,050.03
TOTAL EQUITY AND LIABILITIES(A+B+C)		9,041.15	8,602.82	8,342.25	8,928.94

RESTATED SUMMARY OF PROFIT AND LOSS

(Amount in lakhs)

Particulars	Annexure VII Note	For The			
		Period Ended December 31,2020	Year Ended March 31,2020	Year Ended March 31,2019	Year Ended March 31,2018
Revenue:					
Revenue from Operations (Net)	24	2,651.50	4,518.29	5,756.95	5,750.71
Other income	25	386.76	525.47	167.68	164.63
Total revenue (I)		3,038.26	5,043.76	5,924.64	5,915.34
Expenses:					
Purchases of Stock in Trade		316.96	100.64	524.88	411.66
Cost of Material Consumed	26	1400.49	2,364.92	3,122.39	3,103.37
Changes in inventories of Finished Goods, Work in Progress and stock in Trade	27	(328.25)	118.59	4.79	98.15
Employee benefit expenses	28	516.56	631.65	655.65	649.48
Finance costs	29	81.39	155.77	191.12	274.52
Depreciation and Amortization	30	68.18	107.67	139.13	170.02
Other expenses	31	779.38	1,192.21	1,263.70	1,138.17
Total Expenses (II)		2834.7137	4,671.45	5,901.67	5,845.37
Restated Profit before Exception Items and Taxes (III)=(I)-(II)		203.55	372.31	22.97	69.97
Exceptional Items (IV)	32	-	-	-	88.25
Restated Profit before Tax (V)		203.55	372.31	22.97	(18.28)
Tax Expense (VI)	33	52.58	15.03	32.72	93.32
Restated Profit for the period/ year (VII)= (V)-(VI)		150.97	357.28	(9.75)	(111.60)
Other Comprehensive Income (OCI)					

Items not to be reclassified to profit or loss in subsequent period:					
Remeasurement (gain)/ loss on defined benefit plan (net of Tax)		0.54	0.72	(9.53)	3.37
Gain/(Loss) on Equity Instruments through OCI		15.10	(6.90)	52.16	214.91
Restated Total Comprehensive Income for the period/year, net of tax (VIII)		166.61	351.10	32.88	106.68
Restated Earnings per Equity Share (Face Value: Rs. 10)					
Computed on the basis of restated profit for the period/year (in Rs.)		885.61	885.61	885.61	885.61
- Basic		1.70	4.03	(0.11)	(1.26)
- Diluted		1.70	4.03	(0.11)	(1.26)

RESTATED STATEMENT OF CASH FLOWS

(Amount in Lakhs)

Particulars	For The			
	Period Ended December 31,2020	Year Ended March 31,2020	Year Ended March 31,2019	Year Ended March 31,2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/ (Loss) before Exceptional items and Tax	** 203.55	372.31	22.97	69.97
Non-cash adjustments:				
Depreciation and amortisation expenses	68.18	107.67	139.13	170.02
Interest Expense	32.55	141.93	178.14	236.29
Loss/ (Gain) on Sale of Property,Plant and Equipment	(38.20)	(6.83)	(0.31)	(9.36)
Operating profit before working capital changes	266.08	615.08	339.93	466.92
Changes in working capital :				
(Increase)/ Decrease in Inventories	(268.36)	157.61	(79.50)	190.13
(Increase)/Decrease in Trade Receivables	(172.05)	96.42	445.69	(449.12)
(Increase)/Decrease in Other Current Assets	(100.05)	156.86	(64.69)	(193.50)
(Increase)/Decrease in Other Financial Assets	12.96	(12.26)	(4.11)	(148.43)
Increase/(Decrease) in Loan Given	(226.91)	(252.44)	(18.41)	231.24
Increase/(Decrease) in other current liabilities	262.61	(91.62)	(288.83)	113.25
Increase/(Decrease) in Trade Payables	(148.92)	(34.88)	100.44	(57.87)
Increase/(Decrease) in other Financial Liabilities	40.54	34.16	(97.39)	(453.82)
Increase/(Decrease) in Provisions	22.89	61.55	13.80	(48.44)
Cash generated from operations				
Income tax (Refund)/ paid during the year	(14.47)	(173.46)	164.21	577.32
Net cash from operating activities (A)	(325.68)	557.02	511.14	227.68
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(226.69)	(29.35)	(11.00)	(117.41)
Sale of Property, Plant and Equipment	12.59	131.68	0.98	(54.05)
Net cash from investing activities (B)	(214.10)	161.03	11.98	63.36
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital/application money	-	-	-	-
Interest paid on borrowings	(32.55)	(141.93)	(178.14)	(236.29)
Proceeds/(Repayment) from short-term Borrowings	110.65	(26.19)	(216.50)	(472.97)
Proceeds/(Repayment) of Long-term Borrowings	29.73	(103.31)	(131.09)	350.54
Net cash from financing activities (C)	107.83	(271.43)	(525.73)	(358.72)
Net increase in cash and cash equivalents (A+B+C)	(431.94)	446.62	(2.61)	(67.68)
Cash and cash equivalents at the beginning of the year	537.05	90.43	93.04	160.72
Cash and cash equivalents at the end of the year	105.11	537.05	90.43	93.04

GENERAL INFORMATION

Rungta Irrigation Limited (“Company or Issuer”) was originally incorporated as “Jindal Irrigation Private Limited” on April 17, 1986 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana (ROC), subsequently name of the company was changed to Rungta Irrigation Limited on April 04 1994. Shareholders of the Company passed special resolution at extra-ordinary general meeting held on May 09, 1994 by deleting the restriction clause under section (3)(1)(iii) of the Companies act 1956 in the article of association of the Company and such Company become public Company within the meaning of section 3(1)(iv)of Companies Act, 1956. The corporate identification number of our Company is L74899DL1986PLC023934. For details of changes in the name and registered office of our Company, see —History and Certain Corporate Matters| on page ___ of this Letter of Offer.

<i>Registered office of Company</i>	<i>Registrar of Companies</i>
Rungta Irrigation Limited 101 Pragati Towers Rajendra Place, New Delhi-110008, India Registration No. 023934 CIN: L74899DL1986PLC023934 Telephone: +91-11-40453330 Email: cs@rungtairrigation.in Website: www.rungtairrigation.in	Registrar of Companies (NCT of Delhi & Haryana) 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019, India Telephone: 011-26235703, 26235708 Email: roc.delhi@mca.gov.in Website: N.A.

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Letter of Offer:

<i>Name</i>	<i>Designation</i>	<i>DIN</i>	<i>Address</i>
Mahabir Prasad Rungta	Chairperson & Managing Director	00235632	S-75, Panchsheel Park,. New Delhi-110017
Shruti Rungta	Executive Director	00229045	32/1,Hanuman Lane, New Delhi-110001
Devesh Poddar	Non-Executive, Independent Director	07912263	11B, Belair Apartment, Main Road Rachi Opp. Gel Chruch Complex, Ranchi, Jharkhand-834001
Abdul Kalam	Non-Executive, Independent Director	01869712	10/5, First Floor, Sarvpriya Vihar, Hauz Khas Delhi- 110016
Vivek Agrawal	Non-Executive, Independent Director	07794991	Flat No. 1707 ,Sri Radhe Krishna Garden, Rameshwaram Street, Near NCC Camp Ranchi, Jharkhand-834009

For detailed profile of our Directors, please refer to the chapter titled —Our Management| on page ___ of the Letter of Offer.

Chief Financial Officer

Swati Garg, is the Chief Financial Officer of our Company. Her contact details are set forth hereunder.

Raju Shoe Palace, Sakko Wali Gali,
Muradnagar, Ghaziabad, Uttar
Pradesh,-201206

Telephone: +91 8285616076

E-mail: cfo@rungtairrigation.in

Company Secretary and Compliance Officer

Prateek Sharma, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

178 Pokar Quater, Rani Bazar,
Bikaner, Rajasthan-334001
Telephone: +91 9069571168
E-mail: cs@runtairrigation.in

Details of Key Intermediaries pertaining to this Issue of our Company:

Registrar to the Issue

M/s Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, IIIrd Floor, 99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdass Mandir, New Delhi-110062
Telephone: +91-11-2996 1281-83, **Facsimile:** +91-11-2996 1284
E-mail: beetal@beetalfinancial.com, **Website:** www.beetalfinancial.com
Contact person: _____
SEBI Registration No: INR000000262
Validity of Registration: Permanent

Statutory Auditor of our Company

M/s Mamraj & Co.,
Chartered Accountants
555-556, Agarwal Metro Heights Tower, Netaji Subash Place, New
Delhi, Delhi 110034
Contact Person: Mr. Mamraj Agarwal
Membership No.: 084944
Firm Registration No.: 006396N

Peer review Auditor to the issue

VAPS & Co.
Chartered Accountants
C-42, South Extension Part II, Delhi - 110049
Telephone: +91 41645051 / 52
Email: info@vaps.co.in
Contact Person: Mr. Praveen Kumar Jain
Membership No.: 082515
Firm Registration No.: 003612N
Peer Review Certificate No.: 010072

Bankers to our Company

Kotak Mahindra Bank

Branch Address: [●]

Telephone: +91-8087243518

Email: suyash.kumar@kotak.com

Website: www.kotak.com

Contact Person: Suyash Kumar

Banker to the Issue/ Refund Bank

Kotak Mahindra Bank

Branch Address: [●]

Inter-se Allocation of Responsibilities

Not Applicable

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or B-WAP.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

M/s.VAPS & Co., Chartered Accountants, have given their consent to include their name as Peer review auditor of the Company in this Letter of Offer and as an –expertll defined under section 2(38) of the Companies Act in respect of (i) the examination report dated August, 09, 2021 on the Restated Financial Information, included in this Letter of Offer and (ii) their report dated August, 09, 2021 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Letter of Offer, and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term –expertll and consent thereof does not represent an –expertll within the meaning under the Securities Act.

Issue Schedule

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

Event	Indicative Date
Issue Closing Date*	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

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

Book Building Process

As this is a Rights Issue, the Issue will not be made through the book building process.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Grading of the Issue

As this is a Rights Issue, grading of the Issue is not required to be obtained.

Debenture Trustees

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

Monitoring Agency

As the net proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

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

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from ten crores to twenty-five crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and will not be filed with SEBI.

This Draft Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE and submitted with SEBI for information and dissemination.

Changes in Auditors during the last three years

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed and traded on BSE.

Underwriting Agreement

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

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. However, SEBI vide its circular dated April 21, 2020 bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 has relaxed the requirement of minimum subscription and has reduced the threshold of subscription from 90% to 75% of the Issue. Further, as per the said circular if the Issue is subscribed between 75% to 90%, Issue will be considered successful subject to the condition that out of the funds raised at least 75% of the Issue size shall be utilized for the objects of the Issue other than general corporate purpose. The relaxation is subject to the condition that this Issue opens before March 31, 2021.

If our Company does not receive the minimum subscription of at least 75% of the Issue, or the subscription level falls below 75%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under —Issue Related Information| on page [●].

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A. Authorised Share Capital			
	2,00,00,000 Equity Shares of face value of ₹ 10 each	2,000	
B. Issued, Subscribed and Paid-Up Share Capital before the Issue			
	88,56,100 Equity Shares of face value of ₹ 10 each	885.61	
C. Present Issue in terms of this Letter of Offer			
	Up to 1,10,70,125 Equity Shares of ₹ 10/- each	1107.01	1217.71
D. Issued, Subscribed and Paid-Up Share Capital after the Issue			
	1,99,26,225 Equity Shares of face value of ₹10 each	1992.62	
E. Securities Premium Account			
	Before the Issue	2469.37	
	After the Issue ⁽²⁾	2580.07	

⁽¹⁾The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on June, 30, 2021.

⁽²⁾ The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue. However, the Eligible Equity Shareholders will be required to pay 27% of the Issue Price at the time of payment of Application Money, 27% of the Issue Price shall be paid on or before the date of First Call, 27% of the Issue Price shall be paid on or before the date of Second Call and 19% of the Issue Price shall be paid on or before the date of Third and Final Call..

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Repayment of loan taken from Corporate;
 2. Repayment of loan taken from NBFC
 3. Working Capital Requirements;
 4. General corporate purposes.
- (collectively, referred to hereinafter as the —Objects!)

We intend to utilize the gross proceeds raised through the Issue (the —Issue Proceeds!) after deducting the Issue related expenses (—Net Proceeds!) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Details of objects of the Issue

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	[●]
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

Requirement of Funds

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

(₹ in lakhs)

Particulars	Amount
Repayment of Loan from Corporates	[●]
Repayment of Loan from NBFC	[●]
Working Capital Requirement	[●]
General Corporate Purpose	[●]
Issue related expenses	[●]
Gross proceeds from the Issue	[●]

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount to be Utilised
1.	Repayment of loan from Corporate	[●]
2.	Repayment of loan from NBFC	[●]
3.	Working capital requirement	[●]
	TOTAL	[●]

*To be determined and updated in the Letter of Offer at the time of filing with ROC.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2020-21.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Details of the Objects of the Issue

1. Repayment of Inter-Corporate Loan: [●]

2. Working Capital Requirement

Our Business is a working capital intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake.

Accordingly, we have proposed to use Rs. [●] lacs out of the issue proceeds to meet the increase in long term working capital requirements.

Particulars	2021-22	2020-21	2019-20	2018-19
Current Assets				
Current Investments	[●]	[●]	-	-
Inventories	[●]	[●]	861.19	1,018.80
Trade Receivables	[●]	[●]	2,442.82	2,539.24
Cash and Cash Equivalents	[●]	[●]	537.05	90.43
Short-term Loans and Advances	[●]	[●]	1,292.27	1,039.83
Current Tax Asset (Net)	[●]	[●]	-	31.37
Other Current Assets	[●]	[●]	1,011.62	1,172.05
Total (A)	[●]	[●]	6144.95	5,892.02
Current Liabilities				
Short Term Borrowings	[●]	[●]	1041.93	1068.12
Trade Payables	[●]	[●]	242.83	207.95
Other Current Liabilities	[●]	[●]	641.45	698.91
Short-term Provisions	[●]	[●]	122.33	53.27
Total (B)	[●]	[●]	2,048.54	2,028.25
Net Working Capital (A) - (B)	[●]	[●]	4,096.41	3,863.83
Owned Funds/Internal Accruals available for working capital	[●]*			
Working Capital funding through Right Issue Proceeds	[●]*			

As per our estimates we would require Rs. [●]* lacs out of the issue proceeds to meet the working capital requirements.

3. *General corporate purposes*

We intend to deploy ₹ [●] lakhs from proceeds of the Rights Issue towards General Corporate Purposes including but not restricted to, future growth requirements, capital expenditure, and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board. The company will deploy rights issue proceeds judiciously to meet the requirements of the business. However in terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes is not exceeding 25% of the Gross proceeds of the Issue.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board or its committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue related expenses

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

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Advisor to issue, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Appraisal and Bridge Financing Facilities

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

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment/prepayment of certain unsecured loans availed by our Company from the Promoter Group members and payments made in the ordinary course of business, there are no material existing or anticipated transactions.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company on the basis of an assessment of market demand for the issued Equity Shares and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is ₹ 11. Investors should also refer to —Our Business|, —Risk Factors| and —Financial Information| on pages [●], [●] and [●] respectively, to have an informed view before making an investment decision. The Issue Price is 1.1 times of the face value of Equity Shares.

Qualitative Factors

We believe the following are our key strengths and qualitative factors:

- Strong brand recall and established track record;
- Widespread distribution network and presence across various retail channels;
- Experienced management team;
- Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities, with a core focus on quality
- In-house design capabilities and techniques;
- Entry barrier to the wood based panel products industry places us at an advantage; and
- Cost efficient sourcing and locational advantage.

For further details, see —Our Business – Our Competitive Strengths| on page [●]

Quantitative Factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI ICDR Regulations. For further details, see —Financial Information| beginning on page [●].

Some of the quantitative factors, which form the basis for computing the Issue Price, are as follows:

A. Basic and Diluted Earnings/Loss per Share (“EPS”) As per our Restated Financial Statements:

Year/Period	Basic EPS (in ₹)	Weight
Dec 31, 2020	1.70	1
March 31, 2020	4.03	2
March 31, 2019	(0.11)	0
March 31, 2018	(1.26)	0
Weighted Average	1.91	

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. Total of (EPS x Weight) for each year/Total of weights.
2. Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year.
3. Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares
4. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 Earnings per Share”, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

B. Price Earnings (“P/E”) Ratio in relation to the issue price of ₹11 per Equity Share of ₹ 10 each:

Sr. No.	Particulars	P/E Issue Price (number of times) *	at Price
1.	Based on basic and diluted EPS as per our Restated Financial Statements for the Fiscal 2020		[●]
2.	Based on Weighted Average EPS as per our Restated Financial Statements for the Fiscal 2020		[●]

C. Return on Net Worth (“RoNW”)

As per Restated Financial Information:

Year/Period ended	RoNW (%)	Weight
Dec 31, 2020	2.59	3
March 31, 2020	5.61	4
March 31, 2019	0.56	1
March 31, 2018	1.81	2
Weighted Average	1.06	

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. total of (RoNW x Weight) for each year/Total of weights*
2. *Return on net worth (%) = Net Profit After Tax as restated, attributable to the equity shareholders of the Company *100 / Net worth as restated at the end of the year.*
3. *Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Reserves created out of profits but does not include revaluation reserve.*

D. Net Asset Value (“NAV”) per Equity Share of face value of ₹ 10 each

NAV per Equity Share	Amount (in ₹)
As on December 31, 2020*	[●]
After the Issue	

*Derived from the Restated Financial Information Notes:

Net Asset Value per Equity Share = Net Worth as per the restated at the end of year/ Number of Equity Shares outstanding as at the end of year

E. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section highest P/E ratio is 15.62, the lowest P/E ratio is 4.71, the average P/E ratio is 10.16.

The highest and lowest Industry P/E shown above is based on the peer set provided below under —Comparison with listed industry peers. The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see —Basis of Issue Price - Comparison with listed industry peers hereunder.

For Industry P/E, P/E figures for the peers are computed based on closing market price as on March 31, 2020 at BSE, divided by Diluted EPS (on consolidated basis) based on the audited accounts of such companies for the Fiscal 2020

F. The Issue Price will be 1.1 times of the face value of the Equity Shares.

The Issue Price of ₹ 11 has been determined by our Company and is justified based on the above accounting information.

Investors should read the above mentioned information along with —Risk Factors|, —Our Business|, —Financial Statements| and —Management’s Discussion and Analysis of Financial Condition and Results of Operations| on pages [●], [●], [●] and [●], respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in —Risk Factors| on page [●] and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,
The Board of Directors
Rungta Irrigation Limited
101 Pragati Towers Rajendra Place,
New Delhi-110008, India

Subject: Statement of Special Possible Tax Benefits available to Rungta Irrigation Limited and its shareholders

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2019 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as ‘Income Tax Laws’), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company, its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement

The benefits discussed in the enclosed Annexures are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

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

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with.

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

Yours faithfully,
For VAPS & Co.

Chartered Accountants FRNO
003612N
UDIN: _____

Praveen Kumar Jain
PARTNER
M No 82515

Date:
Place: Delhi

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO RUNGTA IRRIGATION LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS

1. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the „Act“)

- 1. Special tax benefits available to the Company under the Act*
There are no special tax benefits available to the Company.

- 2. Special tax benefits available to the shareholders under the Act*
There are no special tax benefits available to the shareholders of the Company.

Notes:

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2020-21.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO RUNGTA IRRIGATION LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. *The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")*

1. *Special indirect tax benefits available to the Company under the Act*

There are no special indirect tax benefits available to the Company.

2. *Special indirect tax benefits available to the shareholders under the Act*

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such change.

SECTION IV – ABOUT THE COMPANY/INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020).

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis (Figure 1).

Policy actions should ensure effective support until the recovery is firmly underway, with an emphasis on advancing key imperatives of raising potential output, ensuring participatory growth that benefits all, and accelerating the transition to lower carbon dependence. As noted in the October 2020 World Economic Outlook (WEO), a green investment push coupled with initially moderate but steadily rising carbon prices would yield needed emissions reductions while supporting the recovery from the pandemic recession.

Strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at affordable prices for all. Many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic. The global community will need to continue working closely to ensure adequate access to international liquidity for these countries. Where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20.

Considerations of the global outlook:

A stronger starting point for the 2021–22 forecast. Multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. Moreover, economic data released after the October 2020 WEO forecast suggest stronger-than-projected momentum on average across regions in the second half of 2020. Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Finally, additional policy measures announced at the end of 2020—notably in the United States and Japan—are expected to provide further support in 2021–22 to the global economy. These developments indicate a stronger starting point for the 2021–22 global outlook than envisaged in the previous forecast.

Lingering concerns. However, surging infections in late 2020 (including from new variants of the virus), renewed lockdowns, logistical problems with vaccine distribution, and uncertainty about take-up are important counterpoints to the favorable news. Much remains to be done on the health and economic policy fronts to limit persistent damage from the severe contraction of 2020 and ensure a sustained recovery.

Three questions. These developments raise three interrelated questions for the global outlook. First, how will restrictions needed to curb transmission affect activity in the near term before vaccines begin delivering effective society-wide protection? Second, how will vaccine-rollout expectations and policy support affect activity? Third, how will financial conditions and commodity prices evolve? The baseline forecast requires forming a view on these unknowns.

Infections and restrictions will soften momentum in early 2021. Third quarter GDP outturns mostly surprised on the upside (Australia, euro area, India, Japan, Korea, New Zealand, Turkey, United States) or were in line with expectations elsewhere (China, Mexico). Among components, private consumption rebounded the most. Investment picked up relatively slowly, except in China (Figure 2). The expenditure decompositions suggest a release of pent-up demand and adjustments to telework. Given the largely one-off nature of such spending, it is likely to dissipate once the adjustments are made. High-frequency data suggest some tapering into the fourth quarter of 2020—for example, in new orders, industrial production, and global trade (Figure 3). The US December employment report also showed the first net decline in nonfarm payrolls since April 2020. Moreover, services output remains -12 -10 -8 -6 -4 -2 0 2 4 6 2017 18 19 20: Q3 3 subdued and is likely to soften further in the coming months with renewed restrictions to combat rising infections.

The softening in early 2021 is expected to give way to rising momentum in the second quarter as vaccines and therapies become more readily available, allowing contact-intensive activity to strengthen.

Vaccines, therapies, and containment efforts. The baseline assumes broad vaccine availability in advanced economies and some emerging market economies in summer 2021 and across most countries by the second half of 2022—an accelerated timeline relative to expectations at the time of the previous forecast. Vaccine rollout speed is assumed to vary across economies based on country-specific factors. Moreover, therapies are expected to gradually become more effective and more accessible worldwide over the course of 2021–22. The baseline also assumes the possibility of lockdowns, including to contain transmission of new variants, before vaccines become widely available.

The path of the pandemic. With growing vaccine availability, improved therapies, testing, and tracing, local transmission of the virus is expected to be brought to low levels everywhere by the end of 2022. Some regions and countries will get to low local transmission sooner than others depending on country-specific circumstances.

Additional fiscal policy support set to boost activity in some countries, but most are expected to experience lower deficits in 2021. The sizable fiscal support announced for 2021 in some countries, including most recently in the United States and Japan, together with the unlocking of Next Generation EU funds, will help lift economic activity among advanced economies with favorable spillovers to trading partners. However, as noted in the January 2021 Fiscal Monitor Update, fiscal deficits in most countries are projected to decline in 2021 as revenues rise and expenditures decline automatically with the recovery.

Supportive financial conditions. Major central banks are assumed to maintain their current policy rate settings throughout the forecast horizon to the end of 2022. As a result, financial conditions are expected to remain broadly at current levels for advanced economies while gradually improving for emerging market and developing economies. Within this latter group, differentiation between investment-grade sovereigns (who have been able to issue external debt in large amounts in 2020) and high-yield borrowers (many of whom are constrained in their ability to take on additional debt and until recently have not accessed international markets during the -20 -15 -10 -5 0 5 10 80 85 90 95 100 105 110 Jan. 2019 Jul. 19 Jan. 20 Jul. 20 Dec. 20 4 pandemic) is expected to subside as the recovery takes hold. As noted in the January 2021 Global Financial Stability Report Update, markets remain upbeat about prospects for 2021, banking on continued policy support.

Rising commodity prices. Reflecting the projected global recovery, oil prices are expected to rise in 2021 just over 20 percent from the low base for 2020, but will still remain well below their average for 2019. Non-oil commodity prices are also expected to increase with those of metals, in particular, projected to accelerate strongly in 2021.

Global Growth set to Strengthen in the second half of 2021

The baseline forecast follows from the assumptions listed in the previous section.

Global growth. After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022 (Table 1). The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support—mostly in the United States and Japan—together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group.

Global trade. Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

Inflation. Even with the anticipated recovery in 2021–22, output gaps are not expected to close until after 2022. Consistent with persistent negative output gaps, inflation is expected to remain subdued during 2021–22. In advanced economies it is projected to remain generally below central bank targets at 1.5 percent. Among emerging market and developing economies inflation is projected just over 4 percent, which is lower than the historical average of the group.

Differentiated and Diverging Recoveries

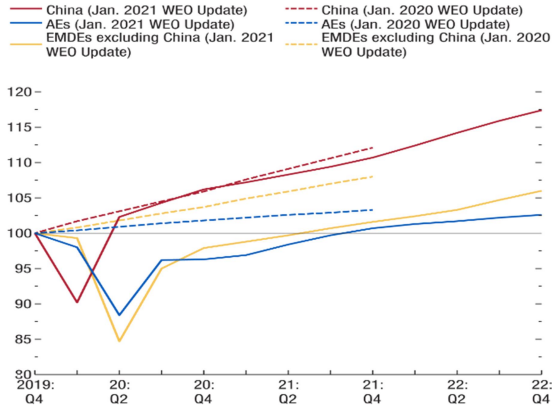
An incomplete and uneven recovery. Global activity will remain well below the pre COVID, January 2020 WEO projections through the forecast horizon (Figure 4). The strength of the projected recovery varies across countries, depending on the severity of the health crisis, the extent of domestic disruptions to activity (related to the structure of the economy and its reliance on contact-intensive sectors), the exposure to cross-border spillovers, and—importantly—the effectiveness of policy support to limit persistent damage.

Advanced economies, in general, have been able to provide expansive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans, and guarantees), and central banks have reinforced this with expanded asset purchase programs, funding-for-lending facilities, and, for some, interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries. Recovery paths vary within the group, with the US and Japan projected to regain end-2019 activity levels in the second half of 2021, while in the euro area and the United Kingdom activity is expected to remain below end-2019 levels into 2022. The wide divergence reflects to an important extent differences across countries in behavioral and public health responses to infections, flexibility and adaptability of economic activity to low mobility, preexisting trends, and structural rigidities entering the crisis. The 2021 forecast for the United States is revised up 2 percentage points relative to the October 2020 WEO projection, reflecting carryover from the strong momentum in the second half of 2020 and additional support from the December 2020 fiscal package. Similarly, the 0.8 percentage point upward revision to Japan’s 2021 forecast is largely because of the additional boost from the fiscal measures introduced at the end of 2020. These upgrades are partially offset by downward revisions to the 2021 forecast for the euro area reflecting an observed softening of activity toward the end of 2020, which is anticipated to continue into early 2021 amid rising infections and renewed lockdowns.

Emerging market and developing economies are also projected to trace diverging recovery paths. Considerable differentiation is expected between China—where effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong recovery—and other economies. Oil exporters and tourism-based economies within the group face particularly difficult prospects considering the expected slow normalization of cross-border travel and the subdued outlook for oil prices. As noted in the October 2020 WEO, the pandemic is expected to reverse the progress made in poverty reduction across the past two decades. Close to 90 million people are likely to fall below the extreme poverty threshold during 2020–21. Across regions, vulnerabilities, economic structure, and pre-crisis growth trends, together with the severity of the pandemic and the size of the policy response to combat the fallout, shape recovery profiles. Notable revisions to the forecast include the one for India (2.7 percentage points for 2021), reflecting carryover from a stronger-than-expected recovery in 2020 after lockdowns were eased.

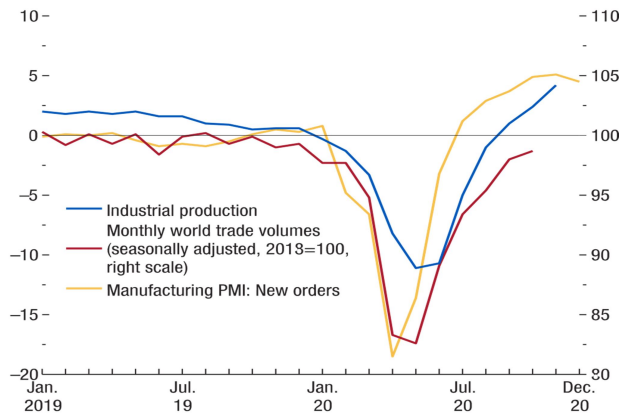
Scarring (persistent damage to supply potential). The projections continue to rely on economies adapting to social distancing until local transmission is brought to a low level. Although employment in some countries generally appears to have recovered more quickly from the trough of the recession than in previous downturns, large numbers of people are still unemployed and underemployed in many countries (in the United States, for example, there are 9 million fewer employed people than in February 2020). Moreover, as discussed in the October 2020 WEO, the burden of the crisis has fallen unevenly across groups: workers with less education, women, youth, those in contact-intensive sectors, and those informally employed have suffered disproportionate livelihood and income losses. Country-specific labor market circumstances vary, implying different degrees of scarring. Economies that rely heavily on 7 contact-intensive industries, commodity exporters, and those where school closures have inflicted large setbacks to human capital accumulation are particularly exposed to persistent damages to supply potential.

Figure 1. Divergent Recoveries: WEO Forecast for Advanced Economies and Emerging Market and Developing Economies
(Index, 2019:Q4 = 100)



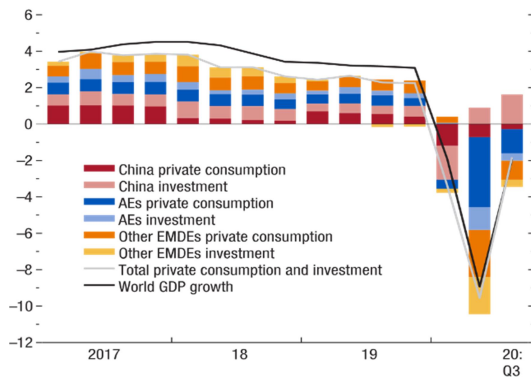
Source: IMF staff estimates.
Note: AEs = advanced economies; EMDEs = emerging market and developing economies; WEO = World Economic Outlook.

Figure 3. Global Activity Indicators
(Three-month moving average, annualized percent change; deviations from 50 for manufacturing PMI, unless noted otherwise)



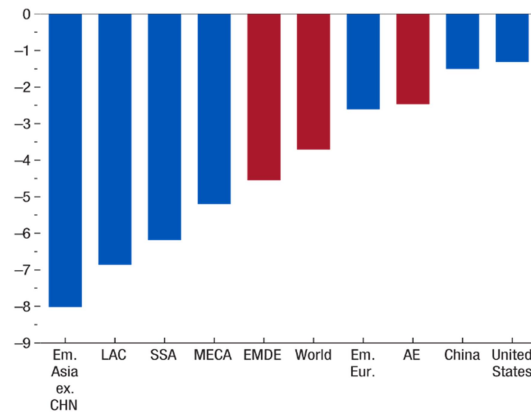
Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff calculations.
Note: PMI = purchasing managers' index.

Figure 2. Contributions of Consumption and Investment to Global GDP Growth
(Percentage points, year over year)



Sources: Haver Analytics; and IMF staff calculations.
Note: Data cover 73.8 percent of global GDP. AEs = advanced economies; EMDEs = emerging market and developing economies; investment = gross fixed capital formation.

Figure 4. GDP Losses Relative to Pre-COVID by Region
(Current projected 2022 level relative to pre-COVID (January 2020 WEO) forecast, percent difference)



Source: IMF staff calculations.
Note: AE = advanced economies; Em. Asia ex. CHN = emerging and developing Asia excluding China; Em. Eur. = emerging and developing Europe; EMDE = emerging market and developing economies; LAC = Latin America and the Caribbean; MECA = Middle East and Central Asia; SSA = sub-Saharan Africa.

Table 1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from October 2020 WEO Projections 1/		Q4 Estimate	over Q4 2/ Projections	
	2019	2020	2021	2022	2021	2022	2020	2021	2022
World Output	2.8	-3.5	5.5	4.2	0.3	0.0	-1.4	4.2	3.7
Advanced Economies	1.6	-4.9	4.3	3.1	0.4	0.2	-3.9	4.6	1.9
United States	2.2	-3.4	5.1	2.5	2.0	-0.4	-2.1	4.0	2.0
Euro Area	1.3	-7.2	4.2	3.6	-1.0	0.5	-6.8	5.8	2.0
Germany	0.6	-5.4	3.5	3.1	-0.7	0.0	-5.3	5.2	1.7
France	1.5	-9.0	5.5	4.1	-0.5	1.2	-8.2	7.4	2.0
Italy	0.3	-9.2	3.0	3.6	-2.2	1.0	-8.3	4.2	2.3
Spain	2.0	-11.1	5.9	4.7	-1.3	0.2	-9.8	7.1	2.0
Japan	0.3	-5.1	3.1	2.4	0.8	0.7	-2.3	2.7	1.6
United Kingdom	1.4	-10.0	4.5	5.0	-1.4	1.8	-8.3	6.0	1.9
Canada	1.9	-5.5	3.6	4.1	-1.6	0.7	-4.0	3.7	2.7
Other Advanced Economies 3/	1.8	-2.5	3.6	3.1	0.0	0.0	-2.2	4.5	1.9
Emerging Market and Developing Economies	3.6	-2.4	6.3	5.0	0.3	-0.1	0.9	3.7	5.4
Emerging and Developing Asia	5.4	-1.1	8.3	5.9	0.3	-0.4	3.2	3.8	6.4
China	6.0	2.3	8.1	5.6	-0.1	-0.2	6.2	4.2	6.0
India 4/	4.2	-8.0	11.5	6.8	2.7	-1.2	0.6	1.7	7.8
ASEAN-5 5/	4.9	-3.7	5.2	6.0	-1.0	0.3	-3.2	5.2	6.1
Emerging and Developing Europe	2.2	-2.8	4.0	3.9	0.1	0.5	-2.7	4.8	3.0
Russia	1.3	-3.6	3.0	3.9	0.2	1.6	-4.6	5.3	2.6
Latin America and the Caribbean	0.2	-7.4	4.1	2.9	0.5	0.2	-4.8	2.3	2.8
Brazil	1.4	-4.5	3.6	2.6	0.8	0.3	-1.9	1.6	2.6
Mexico	-0.1	-8.5	4.3	2.5	0.8	0.2	-5.4	2.2	2.4
Middle East and Central Asia	1.4	-3.2	3.0	4.2	0.0	0.2	...	...	...
Saudi Arabia	0.3	-3.9	2.6	4.0	-0.5	0.6	-3.1	3.5	4.0
Sub-Saharan Africa	3.2	-2.6	3.2	3.9	0.1	-0.1	...	...	...
Nigeria	2.2	-3.2	1.5	2.5	-0.2	0.0	...	...	...
South Africa	0.2	-7.5	2.8	1.4	-0.2	-0.1	-6.2	2.8	0.6
<i>Memorandum</i>									
Low-Income Developing Countries	5.3	-0.8	5.1	5.5	0.2	0.0	...	...	...
World Growth Based on Market Exchange Rates	2.4	-3.8	5.1	3.8	0.3	0.0	-2.0	4.3	3.1
World Trade Volume (goods and services) 6/	1.0	-9.6	8.1	6.3	-0.2	0.9	...	...	...
Advanced Economies	1.4	-10.1	7.5	6.1	0.4	1.0	...	...	...
Emerging Market and Developing Economies	0.3	-8.9	9.2	6.7	-1.0	0.8	...	...	...
Commodity Prices (US dollars)									
Oil 7/	-10.2	-32.7	21.2	-2.4	9.2	-5.4	-27.6	13.5	-2.2
Nonfuel (average based on world commodity import weights)	0.8	6.7	12.8	-1.5	7.7	-2.0	15.4	2.0	-0.1
Consumer Prices									
Advanced Economies 8/	1.4	0.7	1.3	1.5	-0.3	-0.1	0.5	1.5	1.6
Emerging Market and Developing Economies 9/	5.1	5.0	4.2	4.2	-0.5	-0.1	3.2	3.8	3.7

London Interbank Offered Rate (percent)									
On US Dollar Deposits (six month)	2.3	0.7	0.3	0.4	-0.1	-0.1	...	...	...
On Euro Deposits (three month)	-0.4	-0.4	-0.5	-0.6	0.0	-0.1	...	...	...
On Japanese Yen Deposits (six month)	0.0	0.0	-0.1	-0.1	-0.1	-0.1	...	...	...

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 23--November 20, 2020. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2020 WEO forecasts. Countries whose forecasts have been updated relative to October 2020 WEO forecasts account for 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual world output at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. ⁶

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$41.29 in 2020; the assumed price, based on futures markets (as of January 4, 2021), is \$50.03 in 2021 and \$48.82 in 2022.

8/ The inflation rate for the euro area is 0.9% in 2021 and 1.2% in 2022, for Japan is --0.1% in 2021 and 0.5% in 2022, and for the United States is 2.1% in 2021 and 2022, respectively.

9/ Excludes Venezuela.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>)

INDIAN ECONOMY OVERVIEW

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

India's GDP (at constant 2011-12 prices) was estimated at Rs. 33.14 trillion (US\$ 452.74 billion) for the second quarter of FY2020-21, against Rs. 35.84 trillion (US\$ 489.62 billion) in the second quarter of FY2019-20.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 581.131 billion in the week up to December 18, 2020 according to data from RBI.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity–Venture Capital (PE-VC) companies expanded from US\$ 36.3 billion (1,012 deals) in 2019 to US\$ 39.2 billion (across 814 deals) in 2020. Some of the important recent developments in Indian economy are as follows:

- *India's overall exports from April 2020 to November 2020 were estimated at US\$ 304.25 billion, (a 14.03% decrease over the same period last year). Overall imports from April 2020 to November 2020 were estimated at US\$ 290.66 billion, (a 29.96% decrease over the same period last year).*
- *According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 56.4 in December 2020, against 56.3 in November 2020, indicating a higher growth for manufacturers speeding up production and boosting efforts to rebuild their inventories.*
- *Gross tax revenue stood at Rs. 7.21 trillion (US\$ 98.50 billion) in the first six months of FY21.*
- *FDI inflows in India stood at US\$ 39.93 billion between April 2020 and September 2020, 10% higher than the first six months of 2019-20 (US\$ 36.05 billion).*
- *India's Index of Industrial Production (IIP) for October 2020 stood at 128.5, against 123.2 for September 2020.*
- *Consumer Food Price Index (CFPI) – combined inflation was 9.43% in November 2020, against 11.07% in October 2020.*
- *Consumer Price Index (CPI) – combined inflation was 6.93% in November 2020, against 7.61% in October 2020.*

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and

housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- On January 6, 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million to upgrade the State Highway network and district road network in Andhra Pradesh.
- On January 5, 2021, the Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust of the Prime Minister allocated Rs. 201.58 crore (US\$ 27.56 million) to establish 162 additional dedicated pressure swing adsorption (PSA) medical oxygen generation plants within the country's public health facilities.
- On January 5, 2021, a US\$ 105 million project to develop the inland water transport system in Kolkata, West Bengal, was signed by the Government of India, Government of West Bengal and the World Bank.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 231 million loan to boost electricity generation capacity in Assam through the establishment of a hydroelectric power plant of 120 megawatts (MW) that will strengthen household electricity availability.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 100 million loan to modernise and upgrade the power distribution system to boost the quality and efficiency of electricity supply in Bengaluru, Karnataka.
- In December 2020, the Indian cabinet approved assistance of ~Rs. 3,500 crore (US\$ 478.60 million) for sugarcane farmers (Ganna Kisan).
- The Prime Minister of India, Shri. Narendra Modi announced various economic packages worth ~Rs. 30 trillion (US\$ 410 billion), which was ~15% of India's GDP.
- In December 2020, the Government of India and New Development Bank (NDB) signed a loan agreement to lend US\$ 1 billion via the Mahatma Gandhi National Rural Employment Guarantee Scheme to support the 'Atmanirbhar Bharat' initiative.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2,068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road Ahead

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%, and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Note: Conversion rate used for December 2020 is Rs. 1 = US\$ 0.014

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

INDIAN MARKET OVERVIEW

India Micro Irrigation Systems Market is projected to grow at a CAGR of 10.9% during the forecast period (2020 - 2025).

- The Indian farmers have been increasingly encouraged to adopt micro-irrigation systems on open fields for efficient water usage and an increase in agricultural yield. The area under open filed micro-irrigation is higher than in greenhouses in the country. Most of the greenhouses equipped with micro-irrigation in the country are used for horticultural production with more farmers inclining towards greenhouse cultivation owing to benefits such as year-round production.
- The drip irrigation system dominated the market in 2019, owing to higher subsidies offered by the central and state government in various states. Jain Irrigation Systems Limited, Netafim, Avanijal Agri Automation Pvt. Ltd., Agsmartic Technologies Pvt. Ltd. and Flybird Farm Innovations Pvt. Ltd., among others, have been the most active players in the India micro-irrigation systems market. These players are adopting product innovation as their most adopted strategy to have a competitive edge over other players in the market.

Scope of the Report

The report identifies the situation of the micro irrigation market in India and predicts the growth of the various segments in the sector. In the report, the sectors taken into consideration are mechanism, application, end-users, and states.

Mechanism Type	Drip irrigation System Sprinkler Irrigation System Other Irrigation System
Application Type	Field Crops Plantation Crops Orchards & Vineyards Turfs & Ornamentals
End-Users	Open Field Greenhouse
States Analysis	Rajasthan Maharashtra Andhra Pradesh & Telangana Karnataka Gujarat Tamil Nadu Madhya Pradesh Rest of India

Key Market Trends

Increase in Greenhouse Cultivation is Driving the Market

In recent years, the cultivation of flowers and vegetables has emerged as a major alternative to overcome yield issues, and as greenhouses ensure year-round production, farmers are showing greater interest in it. The greenhouses in the country are, mostly, equipped with micro-irrigation systems., and under the greenhouse segment, drip irrigation is the most dominant micro-irrigation system. Major crops cultivated under greenhouses are leafy vegetables, capsicum, flowers, and tomatoes. Many state governments in the country are granting subsidies for the construction of greenhouses. Thus, increasing intervention of several state governments by providing subsidies, coupled with rising product innovation of major players is anticipated to drive the market further.

Andhra Pradesh and Telangana is Dominating the Market

Andhra Pradesh and Telangana have been long characterized with abysmally low groundwater levels, with the states recording further truncated levels at 15.75 meters below ground level (MBGL) and 14.14 meters below ground level (MBGL) respectively, in early 2019. As a result, the micro-irrigation project (MIP) in

the respective states has been increasingly encouraging farmer registrations, with 954,169 and 8,003 farmers being currently registered in both the states under the financial plan for 2019-2020. According to NABARD consultancy services (NABCONS), the farmers in Telangana witnessed net savings of 25.54 TMC of water, owing to the adoption of the micro-irrigation system over the years, which equivalents to an enormous saving totaled to USD 1.02 billion. The Andhra Pradesh micro-irrigation project (APMIP) sanctioned the highest area to the production of mangoes under fruits, tomatoes under vegetables, and groundnut under agricultural crops, keeping in view the highly competitive advantage in trade for these crops. With deficit groundwater levels and supportive government-funded projects to promote micro-irrigation in the region, the market for micro irrigation systems is expected to grow during the forecast period.

Competitive Landscape

Indian automated micro-irrigation systems market is consolidated with major players such as Jain Irrigation Systems Ltd., and Netafim holding the majority of the market share. as these major players in the market are expanding their business by adopting various strategies such as mergers & acquisitions, expansions, partnerships, and product launches. On Aug 2018, FlyBird Farm Innovations entered into a partnership with ConserWater Technologies, a US-based company, to bring Artificial Intelligence (AI) and Internet of Things (IoT) to the Indian farmers

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page [●] for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages [●] and [●], respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

The Company was incorporated on Apr. 17, 1986 as a private limited company. Earlier known as M/S Jindal Irrigation Pvt Ltd, it became a public limited company with the present name of M/S Rungta Irrigation Ltd. on 4th April, 1994.

The key products of the Company include Sprinklers and Drip irrigation systems; Aluminium, Polyvinyl chloride (PVC), and High density polyethylene (HDPE) pipes and Fountains. The company has established a strong dealership network with branches across the country.

RUNGTA group of Companies started with a vision — A vision of contributing to diversified sectors of the economy to make it more competitive, vibrant and resilient. Starting with its core competence in the area of Irrigation systems, it has now diversified into various other related areas and has established its name in the industry with its countrywide presence.

Today, the group has under its umbrella companies which are into Mining, Irrigation, Steel, Financing and International business. It has already reached a turnover of Rs.2500 million’s and has established itself as a fast growing group with its presence all over the country.

RUNGTA IRRIGATION LIMITED, an ISO 9001-2008 Certified Company was promoted in the year of 1986 with its Registered Office at Delhi under the umbrella of RUNGTA GROUP OF COMPANIES. The Company is primarily engaged in the activity of Manufacturing, Designing, Assembling and Marketing of Sprinkler Irrigation systems. The product range of the company includes Sprinklers, Drip Irrigation systems.

The Company offers products based on the world’s best and up-to-date technologies. It takes pride in the fact that it creates and provides quality solutions to it’s customers worldwide, with the help of its domain expertise and a team of dedicated professionals. The company has three decades of standing in the Irrigation industry with tremendous amount of goodwill built over these years.

The company is having three production units at Ghaziabad, Yanam (within the union territory of Pondicherry & Jamshedpur having a combined installed capacity of 7,000 MTPA HDPE Pipes, 15,000 MTPA rigid PVC Pipes and Profiles, 3,000 MTPA linear low density polyethylene tubes and 3,50,000 aluminium pipes with couplers.

The water resources of the country are limited and are not sufficient enough to be used for entire year. Thus, there is an imperative need for utilization of water in the most productive manner. RUNGTA IRRIGATION LTD. is catering to this need through Sprinkler irrigation and drip irrigation systems. The products of the company and its services enjoy high reputation and rightfully it has gained the status of front runner in the market.

Future Direction

Today Rungta Irrigation Limited (RIL) has become synonymous with agricultural growth of the country. This growth of the company has been across sectors of general Agriculture, Horticulture, Tea, Coffee, Rubber and Cardamom plantations. The company has been exporting its products to Nepal, Bangladesh, Sri Lanka and other countries. With its Research & Development wing continuously engaged in new innovations the company is capable of supplying the best products being used by the Agriculture sector of the country for its irrigation needs.

The company aims at upgrading its systems/processes being adopted for manufacturing on continuous basis as per the changing requirements of its clients. This is possible only by adopting the latest technology to upgrade its production processes at all the three state-of-art production units and also deep involvement of its experienced/committed staff teams.

As a Company, we are committed and ready to climb new horizons of success that are still untouched and unexplored.

Our Products

- **Sprinkler Irrigation System:**

Sprinkler irrigation system allows application of water under high pressure with the help of a pump. It releases water similar to rainfall through a small diameter nozzle placed in the pipes. Water is distributed through a system of pipes, sprayed into air and irrigates in most of the soil type due to wide range of discharge capacity.

- **Drip Irrigation System:**

Drip irrigation system delivers water to the crop using a network of mainlines, sub-mains and lateral lines with emission points spaced along their lengths. Each dripper/emitter, orifice supplies a measured, precisely controlled uniform application of water, nutrients, and other required growth substances directly into the root zone of the plant.

Water and nutrients enter the soil from the emitters, moving into the root zone of the plants through the combined forces of gravity and capillary. In this way, the plant's withdrawal of moisture and nutrients are replenished almost immediately, ensuring that the plant never suffers from water stress, thus enhancing quality, its ability to achieve optimum growth and high yield.

- **Mini Sprinkler Irrigation System:**

Mini Sprinklers irrigation offers a complete line of sprinkler solutions for a wide range of crops. Mini sprinklers earned a reputation as the most reliable and durable sprinklers available with their outstanding distribution uniformity and large water passages. Mini sprinklers simplicity and modular design allows for easy accessory options making them adaptable to almost any application and crop.



- **HDPE Piping Systems:**

HDPE pipe is a type of flexible plastic pipe used for fluid and gas transfer and is often used to replace ageing concrete or steel mains pipelines. Made from the thermoplastic HDPE (high-density polyethylene), its high level of impermeability and strong molecular bond make it suitable for high pressure pipelines. HDPE pipe is used across the globe for applications such as water mains, gas mains, sewer mains, slurry transfer lines, rural irrigation, fire system supply lines, electrical and communications conduit, and stormwater and drainage pipes.



- **Elastomeric U PVC Pipes:**

Rungta Irrigation uPVC Pipes are manufactured according to IS: 4985-2000. uPVC Pipes as per IS: 4985 being used in all conceivable applications ranging from Agriculture to sanitation, bore well to electrical ducts because of low cost, low pressure features they became favorites of all farmers, builders and government departments.



- **Electrical Conduits Pipes:**

Electrical Conduits manufactured by the Company conform to IS-9537 (Part 3) specifications They are manufactured in high-tech plants of the company with latest technology and under strict control.

RUNGTA Electrical Conduits are best preferred for open and concealed wiring in houses, residential and commercial buildings, industries, traffic signal, street light, etc.

- **Rigid PVC Pipes:**

RUNGTA Rigid PVC pipes conforms to IS-4985 specifications with latest amendments, manufactured in high-tech plant with latest manufacturing technology under strict quality control.

RUNGTA Rigid PVC pipes are best preferred for disposal of chemical effluent & waste, acid slurries transportation, irrigation in agricultural farms. water supply, telecommunication cable ducting etc.





- **Drip Accessories:**



The manufacturing facilities of our Company are strategically located across India are as follows:-

S.No.	Manufacturing Units
1	Plot No. F-3-2-1, Adavipolam Village Yanam – 533 464, Near K&nada Union Territory of Pondicherry
2	C-165, Bulandshahar Road, Industrial Area, Ghaziabad – 20 1 001, UP

Our Company has a brand presence and our brands are recognised and respected in the industry. Our Company has created a nationwide network of marketing offices, branches, depots, consignment agents and dealers across the country for marketing and distribution of our products.

Key Strengths

Our competitive strengths are as follows:

Experienced management team

We are led by a group of individuals, having background and experience. Our management comprises of experienced key managerial personnel who have the requisite expertise and relevant experience in business management, commerce, etc. They hold requisite qualifications. Our Promoters and our management have a vast experience in agricultural industry.

Our team is well qualified and experienced in the industry to which our Company caters and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience coupled with their strong reputations, will enable us to continue to take advantage of future market opportunities and expand into new markets.

Quality Assurance

Our Company has always focused on providing quality product and services to our customers. This is necessary in order to ensure we retain our existing customers and widen our customer base by providing assurance, reliability, and responsive services to our customers. We endeavor to maintain the quality of our services and follow strict procedures to ensure quality services and timely delivery at competitive rates.

Long term relationship with the clients

Our company focuses on providing the customers with the desired and standard quality product. By providing the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers. Because of our good reputation with the clients we have been able to attain orders from a diverse range of client base.

Business Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

1. Entering into new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in other regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales.

2. Improving operational efficiencies

Our Company intends to improve efficiencies and achieve cost reductions to enable our products to have competitive advantage. We believe that this can be achieved through economies of scale. As a result of these measures, our Company will be able to increase its market share and profitability.

3. Attract and retain talented employee

Employees are essential for the success of every organization. We rely on them to operate our manufacturing facilities and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and workplace environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

4. Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we have repetitive orders from our customers. Quality of the product is very important for the Company from both customer point of view and regulatory point of view. Providing the desired and good quality product helps us in enhancing our brand value and maintaining long term relationships with our customers.

5. Quality control and quality assurance

Our Company has received ISO 9001:2015 certification with respect to the trading and manufacturing of various pipes used for agricultural purposes. Various in-process quality checks are performed to monitor product quality during the manufacturing process.

We believe that maintaining a high standard of quality of our products and our Manufacturing Facility is critical to

our Company and continued success. We have put in place systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent high quality, efficacy and safety of our products.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthening our competitive position in the market. As on December 31, 2021, we had [●] permanent employees on our roll.

Equipment and Machinery

Our manufacturing facilities have been built with keeping in mind efficiency, safety and environmental factors. Our factory complex has all the key ingredients for a successful manufacturing unit. We have made all endeavor in procuring top of the line equipment that can effectively cater to specific customer needs.

Information technology

We have implemented a modern information technology system, which helps us in day-to-day functioning of our business.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection and hazardous waste management in relation to our manufacturing facility. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Our Company has obtained the necessary environment related approvals in relation to our manufacturing facilities.

Health and safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and comply with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facility or under our management.

Insurance

We have obtained insurance with respect to our manufacturing facility located at “C-165/176, Bulandshahar Road Industrial Area, Ghaziabad-201012” & “F-3-201, Adavipolam Village, Yanam-533464” , covering inter alia buildings, plant and machinery, furniture and stock located therein. Insurance coverage taken by the Company during the current financial year as well as for Fiscals 2020, 2019 and 2018 for stocks, buildings, furniture, plant and machinery

While, our Company believes that we have adequately insured our assets, we can provide no assurance in this regard for further details, see section titled "Risk Factors" beginning on page [●] of this Letter of Offer.

Properties

The details of the material properties used by our Company for our operations are set forth below except registered office which is situated at 101 Pragati Towers Rajendra Place New Delhi-110008,India.

S.No.	Manufacturing Units
1	Plot No. F-3-2-1, Adavipolam Village Yanam – 533 464,Near Kanada Union Territory of Pondicherry
2	C-165, Bulandshahar Road, Industrial Area, Ghaziabad – 20 1 001, UP

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three and not more than fifteen Directors. As on date of this Letter of Offer, we have five Directors on our Board, comprising of two Executive Directors and three (3) Independent Directors, including one women directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Mr. Mahabir Prasad Rungta</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> S-75, Panchsheel Park., New Delhi-110017</p> <p><i>DIN:</i> 00235632</p> <p><i>Period of directorship:</i> From August, 03, 1993</p> <p><i>Occupation:</i> Business</p>		<ol style="list-style-type: none"> 1. Ramgarh Sponge Iron Private Limited 2. Global Earth Movers Private Limited 3. Manorath Distributors Private Limited 4. Mp Homes Private Limited 5. Gladiolus Micro Services Private Limited 6. Shriram Power & Steel Private Limited 7. Shriram Power & Steel Private Limited 8. Alchemist Aviation Private Limited
<p>Ms. Shruti Rungta</p> <p><i>Designation:</i> Wholetime Director</p> <p><i>Address:</i> 32/1, Hanuman Lane, New Delhi-110001</p> <p><i>DIN:</i> 00229045</p> <p><i>Date of birth:</i> August, 19, 1981</p> <p><i>Period of directorship:</i> Since October, 15, 2019</p> <p><i>Occupation:</i> Business</p>	40	NIL
<p>Mr. Devesh Poddar</p> <p><i>Designation:</i> Non-Executive - Independent Director</p> <p><i>Address:</i> 11B, Belair Apartment, Main Road Rachi Opp. Gel Chruuch Complex, Ranchi, Jharkhand-834001</p> <p><i>DIN:</i> 07912263</p>	29	<ol style="list-style-type: none"> 1. Vasudha Travels Private Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Date of birth: June 21, 1992</p> <p>Period of directorship: From August 9, 2017</p> <p>Occupation: Advocate</p>		
<p>Mr. Vivek Agarwal</p> <p>Designation: Non-Executive - Independent Director</p> <p>Address: Flat No. 1707 ,Sri Radhe Krishna Garden, Rameshwaram Street, Near NCC Camp Ranchi, Jharkhand-834009</p> <p>DIN: 07794991</p> <p>Date of birth: August 06, 1988</p> <p>Period of directorship: From November 12, 2018</p> <p>Occupation: Business</p>	33	1 Saakshi Udyog Private Limited
<p>Mr. Abdul kalam</p> <p>Designation: Non-Executive - Independent Director</p> <p>Address: 10/5, First Floor, Sarvpriya Vihar, Hauz Khas Delhi- 110016</p> <p>DIN: 01869712</p> <p>Date of birth: January 01, 1945</p> <p>Period of directorship: from February 07, 2019</p> <p>Occupation: Professional</p>	75	1 Plenum Miningcorp Private Limited 2 Re-Vive Policies India Private Limited

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Brief Profile of our Managing Directors

Shri Mahabir Prasad Rungta – (Chairman cum Managing Director)

Shri Mahabir Prasad Rungta is the Chairman cum Managing Director on the Board of our Company. He graduated in the year 1976 from Banaras Hindu University Started career at the age of 26 years and led many companies in the capacity of Director and other senior posts. Initially, engaged in his own business of transportation and loading of coal by mechanized means for various subsidiaries of Coal India Limited. Gradually started other businesses. At present heading the Rungta Group of Companies – a group with diversified businesses in Irrigation, Cement, Leasing, Financing, & Mining of Limestone and Bauxite.

Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

a) Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Mr. Devesh Poddar	Chairman
2.	Mr. Abdul Kalam	Member
3.	Ms. Shruti Rungta	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177

of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval with particular reference to Matters required to be included in the Director's Responsibility Statement, changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements, Disclosure of any related party transactions and Qualifications in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders in case of non-payment of declared dividends and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary (if any) exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
22. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
23. Reviewing the statements of significant related party transactions submitted by the management;
24. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
25. Reviewing internal audit reports relating to internal control weaknesses;
26. Reviewing the appointment, removal and terms of remuneration of the chief internal auditor of the Company; and
 - a) Reviewing statement of deviations quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1),
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b) Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Mr. Devesh Poddar	Chairman
2.	Mr. Mahabir Prasad Rungta	Member
3.	Ms. Shruti Rungta	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third

of the members of the committee whichever is greater, including at least one independent director in attendance.

c) Nomination and Remuneration Committee

Our Nomination and Remuneration Committee last reconstituted by our Board of Directors in their meeting held on with the following members:

Sr. No.	Name of Member	Designation
1.	Mr. Devesh Poddar	Chairman
2.	Mr. Abdul Kalam	Member
3.	Mr. Mahabir Prasad Rungta	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
2. To carry out evaluation of every Director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
4. To formulate the criteria for evaluation of Independent Directors and the Board;
5. To devise a policy on Board diversity;
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
7. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme;
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To perform such other functions as may be necessary or appropriate for the performance of its duties; and
10. To recommend to the board, all remuneration, in whatever form, payable to senior management.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

In addition to the above detailed committees constituted under the SEBI Listing Regulations and Companies Act, our Company has also constituted Rights Issue Committee. The brief detail of the same is detailed below;

Rights Issue Committee

Our Company, vide its Board resolution dated June 30, 2021 has constituted a Rights Issue Committee consisting of Shri. Mahabir Prasad Rungta, Ms. Shruti Rungta & Mr. Devesh Poddar & Shri. Mahabir Prasad Rungta is the Chairman of the committee. The Board has authorised the committee to finalize the terms of the rights issue, to take all decisions relating to the rights issue including approving, sending, finalizing postal ballot notice and to do all such acts, deeds, things as may be necessary for the purpose of this Issue.

Our Key Managerial Personnel

In addition to our Managing Director and Whole Time Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Ms. Swati Garg, Chief Financial Officer

Swati Garg, is the Chief Financial Officer of our Company. Her contact details are set forth hereunder.
Raju Shoe Palace, Sakko Wali Gali,
Muradnagar, Ghaziabad, Uttar Pradesh,-201206
Telephone: +91 8285616076
E-mail: cfo@rungtairrigation.in

Mr. Prateek Sharma, Company Secretary

Prateek Sharma, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.
178 Pokar Quater, Rani Bazar,
Bikaner, Rajasthan-334001
Telephone: +91 9069571168
E-mail: cs@rungtairrigation.in

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel.

Ms. Shruti Rungta, Executive Director of the Company, is the daughter of our Promoter cum Managing Director Mr. Mahabir Prasad Rungta.

OUR PROMOTERS & PROMOTER GROUP

Our Promoters & Promoter group are:

1. Deepak Rungta
2. Mahabir Prasad Rungta
3. Menakshi Rungta
4. Nand Kishore Rungta
5. Priya Rungta
6. Ram Chandra Rungta
7. Shalini Rungta
8. Shruti Rungta
9. Sunil Rungta
10. Urmila Rungta
11. Bir Auto Agencies Pvt Ltd
12. Rungta Projects Ltd.
13. Skyblue Earthmovers & Investment Pvt. Ltd.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, and other applicable laws. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous five (5) financial years immediately preceding this issue.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is higher of 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company;

(iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

(A) Pending Litigations Relating to the Company

(i)	Labour Cases filed against the Company	: 3
(ii)	Labour Cases filed by the Company	: NIL
(iii)	Civil Cases filed against the Company	: 7
(iv)	Civil Cases filed by the Company	: 5
(v)	Criminal cases against the company	: 1
(vi)	Criminal cases filed by the company	: 9
(vii)	Notices served on the Company	: NIL
(viii)	Tax related matters (against the Company)	: Not Ascertainable

I. Tax Related Matters

Tax Claims made against the Company

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	5	14,78,951
Indirect Tax	8	92,720
Total	13	15,71,671

(B) Pending Litigation Relating to the Promoters of the Company

a)	Criminal Case against the promoters	: 1
b)	Civil Cases Against the Promoters	: NIL
c)	Criminal Cases Filed by the Promoters	: NIL
d)	Civil Case Filed by the Promoters	: NIL
e)	Cases Relating to Tax Matters	: NIL

(C) Pending Litigations Relating to the Directors of the Company

a)	Criminal case against the Directors	: 1
b)	Civil Cases Against the Directors	: NIL
c)	Criminal Cases Filed by the Directors	: NIL
d)	Civil Case Filed by the Directors	: NIL
e)	Cases Relating to Tax Matters	: NIL

OUTSTANDING DUES TO CREDITORS

Particulars	No. of Creditors	Amount Outstanding (in Rs.)
Micro, Small and Medium Enterprise	Nil	Nil
Material dues to creditors	Nil	Nil
Other dues to creditors	Non Ascertainable	93,91,000/-
Total	Non Ascertainable	93,91,000/-

There have been no past cases in which penalties have been imposed on the Company, the Promoters and Directors

There has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, Directors and Promoters during the last 5 financial years.

GOVERNMENT AND OTHER STATUTORY APPROVALS

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

Our Company will apply for all necessary approvals and also such approvals that we may require at future relevant stages. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page [●] of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated June 30, 2021, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board/Rights Issue Committee, in its meeting held on June 30, 2021 has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ 11/- per Equity Share [(including a premium of ₹ 1/- per Equity Share) aggregating up to ₹ 1217.71 lakhs. The Issue Price is ₹ 11/- per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principal approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page ___ of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

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

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3(b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000.00 lakhs. However, this Letter of Offer will be filed with SEBI.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in the Draft Letter of Offer/Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Disclaimer Clause of BSE

“BSE Limited (“**the Exchange**”) has given *vide* its letter dated [●], permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- I. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- II. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- III. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

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

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

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

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY 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 SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it

is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

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

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, legal advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated April 27, 2021 from our peer review Auditor, for inclusion of their report, dated August 9, 2021 on the Restated Financial Information in this Letter of Offer and to include their name in this Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated August 9, 2021 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated April 27, 2021 from our peer review Auditor to include their name as required in this Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated August 9, 2021 on the Restated Financial Information and the Statement of Tax Benefits dated August 9, 2021 and such consent has not been withdrawn as of the date of this Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in

its previous issues.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "*Market Price Information*" beginning on page .. of this Letter of Offer.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

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

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

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

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Name: Beetal Financial & Computer Services Private Limited

Address: Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062

Telephone: 91-11-2996 1281-83

E-mail id: beetal@beetalfinancial.com

Shareholders grievance e-mail id: beetal@beetalfinancial.com

Contact person: Punit Mittal

Website: www.beetalfinancial.com
SEBI registration number: INR 000000262
Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Mr. Prateek Sharma, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

178 Pokar Quater, Rani Bazar,
Bikaner, Rajasthan-334001
Telephone: +91 9069571168
E-mail: cs@rungtairrigation.in

SECTION VII: ISSUE INFORMATION TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.beetalfinancial.com.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

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

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

- i. our Company at www.rungtairrigation.in;
- ii. the Registrar at www.beetalfinancial.com;
- iii. the Stock Exchanges at www.bseindia.com ; and
- iv. the Registrar's web-based application platform at www. ("R-WAP").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.rungtairrigation.in/).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

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

Please note that one single Application Form shall be used by Shareholders 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 Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the 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.

Shareholders 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 Shareholders).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see “- *Grounds for Technical Rejection*” below. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders 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 and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” below.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of 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 Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for 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 Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

Shareholders, 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. Shareholders 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

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

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

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- (a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

- (d) Do not submit Application Form using third party ASBA account.
- Making of an Application through the Registrar’s Web-based Application Platform (“R- WAP”) process

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the R-WAP facility (accessible at www.beetalfinancial.com), has been instituted for making an Application in this Issue by resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts.

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

Set out below is the procedure followed using the R-WAP:

- (a) Prior to making an Application using the R-WAP facility, the Shareholders should enable the internet banking or UPI facility of their respective bank accounts and the Shareholders should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.
- (b) Resident Shareholders should visit R-WAP (accessible at www.beetalfinancial.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.
- (c) Non-resident Shareholders are not eligible to apply in this Issue through R-WAP.
- (d) Shareholders should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Shareholders can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.
- (e) Shareholders who are Renouncees should select the category of ‘Renouncee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.
- (f) The Shareholders shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification, if any, in respect of Application through Shareholders’ own bank account, shall be done through the latest beneficial position data of our Company containing Shareholders’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- (h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account opened by our Company with the Escrow Collection Bank(s).
- (i) For guidance on the Application process through R-WAP and resolution of difficulties faced by the Shareholders, the Shareholders are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated Shareholders helpdesk (www.beetalfinancial.com) or call helpline number 011-29961281-83

PLEASE NOTE THAT ONLY RESIDENT SHAREHOLDERS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTORS”.

Do’s for Shareholders applying through R-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
- (d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Shareholders applying through R-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Shareholders.
- (c) Do not apply from non-resident account.

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

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through 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 website of the Registrar, Stock Exchanges 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 Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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

PLEASE NOTE THAT 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/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being Rungta Irrigation Limited;
- (ii) 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);
- (iii) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (iv) 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 Equity Shares applied for pursuant to this Issue
- (v) Number of Equity Shares held as on Record Date;
- (vi) Allotment option – only dematerialised form;
- (vii) Number of Equity Shares entitled to;
- (viii) Number of Equity Shares applied for within the Rights Entitlements;
- (ix) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (x) Total number of Equity Shares applied for;
- (xi) Total amount paid at the rate of ₹ 11/- per Equity Share;
- (xii) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant

SCSB;

- (xiii) 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;
- (xiv) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) 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
- (xvi) All such Eligible Equity Shareholders are deemed to have accepted the following:

"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 except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and 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 Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/or the Rights 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."

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 a Shareholder submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders 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 Shareholders. The plain paper Application format will be available on the website of the Registrar at www.beetalfinancial.com

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 Shareholders' ASBA Accounts on or before the Issue Closing Date.

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

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

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 the following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

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 or using the R-WAP.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional 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 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 “- *Basis of Allotment*” mentioned below.

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

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

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.
- (d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic

Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- (h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signature should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit multiple Applications.
- (s) No investment under the FDI route (i.e. any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.
- (t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- (n) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (r) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

Applications by non-resident Shareholders.

- (a) Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- *Procedure for*

Applications by Mutual Funds” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- ***Procedure for Applications by certain categories of Shareholders Procedure for Applications by FPIs***

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

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

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are

mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

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

Procedure for Applications by NRIs

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

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

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

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

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

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

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is....., 2021, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges

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

Withdrawal of Application

Shareholders who have 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 e-mail withdrawal request to vlrights@alankit.com in case of Application through R-WAP facility. However, no Shareholders, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

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

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

• Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.rungtairrigation.in/).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of 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 The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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

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

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, havenot provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.beetalfinancial.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in 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, 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.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by, 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 our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renounees***

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

- ***Renunciation of Rights Entitlements***

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

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

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

- ***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 Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders 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.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders 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 Shareholders 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 Shareholders.

- (a) ***On Market Renunciation***

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

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges 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 Exchanges 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 [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders 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 stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

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

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

The Shareholders 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, 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 Shareholders 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.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Shareholders agree to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the

Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

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

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

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

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

For details of mode of payment in case of Application through R-WAP, see “- *Making of an Application through the Registrar's Web-based Application Platform (“R-WAP”) process*” mentioned above.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “*The Issue*” beginning on mentioned above.

• Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1:1 (1 Equity Share for every 1 Equity Share) 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 3 (three) Equity Shares or is not in the multiple of 3 (three) 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 Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 3 (three) Equity Shares shall have 'zero' entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

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

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

The existing Equity Shares are listed and traded on BSE (Scrip Code: 530449) under the ISIN: INE347C01013. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

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

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

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "Capital Structure - Intention and extent of participation by our Promoter" mentioned above.

- **Rights of Holders of Equity Shares of our Company**

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

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

- **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- **Nomination**

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

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

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

- **Notices**

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

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be

dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

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

- **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.beetalfinancial.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

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

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

Please note that only resident Shareholders can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.beetalfinancial.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

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

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]

DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

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

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

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

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are

more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

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

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

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

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

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid

and active.

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

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking 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.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Shareholders’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.
- d) **Direct Credit** – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders’s bank receiving the credit would be borne by the Shareholders.
- f) For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.
- g) Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [●] with NSDL and an agreement dated [●] with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

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

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

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least R.s. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than R.s. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to R.s.0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be

- disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- 1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- 2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Rungta Irrigation Limited – Rights Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Name: Beetal Financial & Computer Services Private Limited
Address: Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062
Telephone: 91-11-2996 1281-83
E-mail id: beetal@beetalfinancial.com
Shareholders grievance e-mail id: beetal@beetalfinancial.com
Contact person: Mr. Punit Mittal
Website: www.beetalfinancial.com
SEBI registration number: INR 000000262

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar at www.beetalfinancial.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 91-11-2996 1281-83

- 4) The Shareholders can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.beetalfinancial.com
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.beetalfinancial.com
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.beetalfinancial.com
 - d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.beetalfinancial.com

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue OpeningDate (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

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

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

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

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

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

SECTION IX – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following are the copies of contracts which have been entered or are otherwise proposed to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.rungtairrigation.in from the date of this Letter of Offer until the Issue Closing Date.

I. Material Contracts for the Issue

- i. Registrar Agreement dated [●] entered into amongst our Company and the Registrar to the Issue;
- ii. crowd Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/Refund Bank.

II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the past three years.
- iii. Certificate of incorporation dated April 04, 1986.
- iv. Certificate of incorporation dated April, 04, 1994 issued post change of name from Jindal Irrigation Private Limited to Rungta Irrigation Limited.
- v. Certificate of incorporation dated April 04, 1994 issued post conversion of our Company to a public company.
- vi. Information Memorandum for listing of [●] Equity Shares of the Company dated [●]
- vii. Resolution of the Board of Directors dated June 30, 2021 in relation to the Issue.
- viii. Resolution of the Board dated August 9, 2021 approving and adopting this Letter of Offer.
- ix. The examination report of our Statutory Auditors on our Restated Financial Statements ~~included~~ in this Letter of Offer.
- x. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisor, the Registrar to the Issue, Banker to the Issue/Refund Bank for inclusion of their names in the Draft Letter of Offer/Letter of Offer in their respective capacities.
- xi. Statement of Tax Benefits dated August 9, 2021 from the Statutory Auditor included in this Letter of Offer.
- xii. Tripartite Agreement between our Company, Depository and the Registrar to the Issue.
- xiii. In-principle listing approvals each dated [●] from the BSE.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at anytime if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes