Draft Letter of Offer
Dated: June 08, 2022
For Eligible Shareholders only

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 "Our *History and Certain Corporate Matters"* on page 74 of this Draft 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 127 OF THIS DRAFT 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	4.00	1.00	5.00

*For details on the payment method, please refer to the chapter titled "Terms of the Issue" on page 127 of this Draft 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 this offering. For taking an investment decision, investors must rely on their own examination of our Company and the offer, 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 Draft Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" on page 21 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 Draft 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 Exchange). 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

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_

ISSUE SCHEDULE

ISSUE OPEN ON	LAST DATE OF MARKET RENUNCIATION	ISSUE CLOSE ON
[●]	[●]	[●]

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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 Draft 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 Draft 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.

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in chapter titled "Our Industry", "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigations and Material Developments" and "Terms of the Issue" on pages 59, 56, 86, 117 and 127 respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

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 for the year ended on March 31, 2021 (along with comparatives for the year ended March 31, 2020) which comprises the Statements of Assets and Liabilities as at March 31, 2021 and March 31, 2020, the Statement of Profit and Loss, including other comprehensive income, the statement of cashflows and the statement of changes in equity for the year ended March 31, 2021 and March 31, 2020, and notes to the audited financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon, as notified under the Companies Act, 2013, 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 177 of the Companies Act, 2013. For details, see "Our Management beginning on page 75 of this Draft 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 Including duly constituted committee thereof.
Central Registration Centre (CRC)	It's an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html
"Chief Financial Officer / CFO"	Ms. Swati Garg, the Chief Financial Officer of our Company.
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.

"Company Secretary and Compliance Officer"	Mr. Prateek Sharma, the Company Secretary and the Compliance Officer of our Company.
"Depositories Act"	The Depositories Act, 1996, as amended from time to time.
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Equity Shareholder/Shareholder"	Persons holding equity shares of our Company.
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each.
"Executive Directors"	Executive Directors of our Company.
"Independent Director(s)"	Independent Directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled "Our Management" beginning on page 75 of this Draft Letter of Offer.
"ISIN"	International Securities Identification Number being INE694X01022
"HUF"	Hindu Undivided Family.
"Indian GAAP"	Generally Accepted Accounting Principles in India.
"Key Management Personnel" / "KMP"	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled "Our Management" on page 75 of this Draft Letter of Offer
"Materiality Policy"	Policy on Determination and Disclosure of Materiality of Events and Information and Web Archival Policy' adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI (LODR) Regulations, read with the 'Policy on Determination of Materiality of Litigation' revised and adopted by the Board through its resolution dated **[●]** for the purpose of litigation disclosures in this Draft Letter of Offer.
"Memorandum of Association" / "MOA"	Memorandum of Association of our Company, as amended from time to time.
"Non Residents"	A person resident outside India, as defined under FEMA.
"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 178 of the Companies Act, 2013.
"Non-executive Directors"	Non-executive Directors of our Company.
"NRIs / Non Resident Indians"	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
"Promoter"	The Promoters of our company namely Shri. Mahabir Prasad Rungta, Ms. Priya Rungta, Ms. Shruti Rungta, Ms. Urmila Rungta.
"Promoter Group"	The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018,
"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 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.
"Rights Issue Committee" / "FundRaising Committee"	The committee constituted in the Board meeting dated May 23, 2022 for finalizing the term of the Issue and take all appropriate decision and steps as it maydeem fit in relation to the Issue, in accordance with the applicable provisions of the Listing Regulations and the Companies Act, 2013.
"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, as amended and Companies Act, 2013. For details, see "Our Management" beginning on page 75 of this Draft Letter of Offer.

Issue Related Terms

Terms	Description
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
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Rights Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Letter of Offer.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Letter of Offer.
Application Form	Unless the context otherwise requires, an application form (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.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application moneyin a bank account maintained with SCSB.
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 Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda andSurat.
ASBA Investor/ASBA applicant	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being Kotak Mahindra Bank Ltd.
Banker(s) to the Issue Agreement	Agreement dated **[●]** entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled "Terms of the Issue" beginning on page 127 of this Draft Letter of Offer.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
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
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.

Terms	Description
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBAApplicants and a list of which is available at www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	BSE Limited or BSE.
Draft Letter of Offer	Draft Letter of Offer filed with BSE dated June 08, 2022.
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of Rungta Irrigation Limited as on the Record Date.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Letter of Offer constitutes an invitation to subscribe to the Equity Shares offered herein.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
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 - original shareholders as on record date making an Application through the ASBA 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 Kotak Mahindra Bank Ltd.
Issue/ Rights Issue	Rights Issue of up to 1,10,70,125 Equity Shares of our Company for cash at a price of ₹ 11/- (Rupees Eleven) per Rights Equity Share aggregating to ₹ 1217.71 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1.25:1 i.e. 1.25 Rights Equity Share for every 1 Equity Share held by the Eligible Equity Shareholders of our Company on the Record Date i.e. **[●]**
Issue Closing Date	The date on which Issue closes for subscription is [●]
Issue Opening Date	The date on which Issue opens for subscription is [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive ofboth the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Letter of Offer being ₹. 11 per Equity Share of face value of ₹. 10/- each fully paid.
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being ₹. 1217.71 lakhs.
Letter of Offer/ LoF	The final letter of offer to be filed with the SEBI and Stock Exchanges after incorporating the observations received from the Stock Exchanges on the Letter of Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations,1996, as amended from time to time.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled –Objects of the Issue beginning on page 52 of this Draft Letter of Offer.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹.2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto.
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 Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.

Terms	Description
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 Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of₹. 2,500 Lakh, pension fund with minimum corpus of₹. 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS,Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being Beetal Financial & Computer Services Pvt. Ltd. For more information please refer –General Information on page 45 of this Draft Letter of Offer.
Registrar Agreement	Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through 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 Renouncee on or prior to the Issue Closing Date i.e., [●].
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than₹. 2,00,000.
Rights Entitlement (s)/REs	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 1.25 Equity Share for every 1 Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service ofmaking Application/s Supported by Blocked Amount including blocking of bankaccount and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time.
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
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 or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such

Terms	Description
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Letter of Offer are open for business 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Letter of Offer are open for business 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

Conventional and General Terms or Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B2B	Business to Business
BSE	Bombay Stock Exchange
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
Carpet Area	The area of the apartment excluding the thickness of inner walls.
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP	Depository Participant
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FPO	Follow on Public Offer
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise estated
GDP	Gross Domestic Product
GoI/Government	Government of India
GNPA	Gross Net Performing Assets

HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
Ind AS	Indian Accounting Standards
ICSI	Institute of Company Secretaries of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NDOH	Next Date of Hearing
NGT	National Green Tribunal
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
Plots	Parcel of land demarcated through boundary
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
Super Area	The built up area added to share of common areas which includes staircases,reception, lift shafts, lobbies, club houses and so on
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
UPI	Unified payments interface which is an instant payment mechanism, developed byNPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1,2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequentcirculars or notifications issued by SEBI in this regard

UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile paymentsystem developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorise blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a RIB to make an application inthe Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

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NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for thatpurpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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, inthose circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for informationpurposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copiedor redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, or the Abridged Letter of Offer orApplication 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 Draft 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, theymust not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft 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 Draft 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 Draft 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 DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFERRIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTORSHOULD 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 TOANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANYAPPLICABLE 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 Draft 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 Draft 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 Draft 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.

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

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PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to "India" contained in this Draft 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 Draft 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 Draft Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Draft 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 Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Restated Financial Statements. For details, please see "*Financial Information*" beginning on page 79 of this Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer should accordingly be limited. For further information, see "Financial Information" beginning on page 79 of this Draft Letter of Offer.

Certain figures contained in this Draft 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 Draft Letter of Offer rounded-off to such

number of decimal points as provided in such respective sources. In this Draft 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 ofAmerica; and

Our Company has presented certain numerical information in this Draft 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 inlakh. 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 Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft 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 Draft 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 21 of this Draft 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 Draft 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 datagathering methodologies in the industry in which the business of our Company is conducted, and methodologiesand assumptions may vary widely among different industry sources.

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FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout Draft 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 businessstrategy 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", orother 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 andprospects 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 Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made byour 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 tothe 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 havean 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" beginning on pages 21, 68 respectively, of this Draft 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 Draft 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 Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

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SECTION II - SUMMARY OF THIS DRAFT 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 Draft Letter of Offer, including the sections titled "*Risk Factors*", "*Terms of the Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Our Industry*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" beginning on pages 21, ,127, 50, 52, 68,59 and 117 respectively.

❑ 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 nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY2021-22.

India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which 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 2030s, for productivity and economic growth according to McKinsey Global Institute. The 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.

According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 6.8 billion across 102 deals in November 2021, 42% higher than November 2020.

Some of the important recent developments in the Indian economy are as follows:

A. India's merchandise exports between April 2021 and December 2021 were estimated at US$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.
B. The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.38 trillion (US$ 18.42 billion) in January 2022. This was a 15% rise over a year ago.
C. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 547.2 billion between April 2000 and June 2021.
D. India's Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.
E. Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
F. Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21.
G. Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US$ 6.68 billion) in the Calendar year 2021.

❑ Summary of Business

The Company was incorporated on April 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 68 of this Draft Letter of Offer.

❑ Our Promoters

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

❑ 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	1217.71
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	1000.00
Working Capital Requirement	[●]
General Corporate Purpose	100.00
Net Proceeds from the Issue	[●]

For further details, please see the chapter titled *"Objects of the Issue"* beginning on page 52 of this Draft Letter of Offer.

❑ Summary of Financial Information

Following are the details as per the Financial Information as at and for the financial year ended on March 31, 2020 and 2021 and the nine month period ended December 31, 2021:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Paid-up share capital	885.61	885.61
Reserve & Surplus	5,603.59	5,502.22
Net Worth	6,489.20	6,387.83
Revenue from operation	4,445.29	4,514.30
Profit after tax	55.43	82.75
Earnings per Share (basic & diluted) (in ₹)	0.63	0.93
Net Asset Value per Equity Share (in ₹)	73.27	72.12
Total Borrowings	1,474.10	1,278.92

❑ 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:

- **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**

- **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

- **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

1. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 21 of this Draft Letter of Offer.

2. Summary of Contingent Liabilities

Please see the chapters titled "*Financial Information*" beginning on page 79 of this Draft Letter of Offer.

3. Summary of Related Party Transactions

Please refer "*Financial Information*" beginning on page 79 of this Draft Letter of Offer.

4. 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.

5. 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.

6. 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 III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft 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 suchrisk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Our Industry", "Our Business" and on pages 59,68 of this Draft 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 informationcited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 16 of this Draft 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 requiresotherwise, 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 beenconsidered for determining the materiality of Risk Factors:

1. *Some events may not be material individually but may be found material collectively;*

2. *Some events may have material impact qualitatively instead of quantitatively; and*

3. *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 inthe 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 Draft 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 Draft Letter of Offer, our Company, our Promoters, our Directors and our GroupCompanies 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:

- **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**

- **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

- **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 117 of this Draft 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 Draft 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 75 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 10 years in Coal India Limited as Chairman and Managing Director.

5. Our Company has negative cash flows from its operating activities, 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	31st March 2021	31st March 2020
Net Cash Generated from Operating Activities	(590.36)	197.20
Net Cash Generated from Financing Activities	125.74	(280.44)

6. 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	2020-21	2019-20
Current Assets		
Current Investments	-	-
Inventories	1518.16	861.19
Trade Receivables	2785.24	2487.87
Cash and Cash Equivalents	90.53	537.05
Short-term Loans and Advances	946.84	1292.28
Other Current Financial Assets	3.07	2.04
Current Tax Asset (Net)	62.46	57.94
Other Current Assets	1118.40	1009.58
Total (A)	**6524.70**	**6247.95**
Current Liabilities		
Short Term Borrowings	1251.21	1041.93
Trade Payables	73.65	242.83
Other Current Financial Liabilities	229.96	183.30
Other Current Liabilities	764.71	458.15
Short-term Provisions	32.24	32.00
Total (B)	**2351.77**	**1958.21**
Net Working Capital (A) - (B)	**4172.93**	**4289.74**

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.

7. 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.

8. 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.

9. 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 68 of this Draft 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.

10. ***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.

11. 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 consortium of lenders and other lenders. 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 Draft 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. ***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.

19. 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 "Capital Structure", "Our Management" beginning on pages 50, 75 respectively of this draft letter of offer

20. 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 Issue" on page 52 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 Issue‖ 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 Issue‖ 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.

21. 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.

22. 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.

23. 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 cannotassure 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 productionof our products due to failure of our quality control procedures, negligence, and human error or otherwise, maydamage 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 customersand 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.

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

The unsecured loans standing in the financial statement of our Company as on March 31, 2021 is Rs. 590.37 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" page number 86 of this draft letter of offer.

25. 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 tosell 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 usto 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 anddepartmental 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.

26. 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" on page 68 of this Draft Letter of Offer.

27. 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.

28. 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 unorganizedmarkets. Our products compete with local retailers, non-branded products, economy brands and productsof 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 "Our Industry" on page 59 of this Draft Letter of Offer.

29. Our growth and our financial results may be affected by factors affecting the real estate industry inIndia.

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.

30. 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 chapter titled "Capital Structure" on page 50of this Draft 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.

31. 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 EquityShares 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 abovetheir 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 managementor control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

32. 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 " Financial Information on page 79 of the Draft Letter of Offer.

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.

33. 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 March 31, 2021 our Company's total fund based indebtedness is [●] lakhs. In addition tothe 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.

34. 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 March 31, 2021, 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 andmay 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.

35. 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 ofEquity Shares or convertible securities would dilute the shareholding of the existing Shareholders and suchissuance 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.

36. 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 fordevelopment 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 75 of this Draft Letter of Offer.

37. 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.

38. 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 ofour manufacturing unit. As of December 31, 2021, while we had 60 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 contingenciesaffecting 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 assurancethat we will have adequate access to skilled workmen at reasonable rates. As a result, we may be requiredto 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 wagescharged 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, 2021, while we had 60 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 orother 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.

39. 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 policyand 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 nosuch 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 inour operations, any of which could adversely affect our business and results of operations.

40. 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.

41. Our ability to pay dividends in the future may be affected by any material adverse effect on our futureearnings, 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 certainof 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.

42. 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 increasein 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 premiumspayable by us or the termination of coverage under the relevant policy.

43. 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 ofthis 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 ofIssue 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 52 of this Draft Letter of Offer.

44. 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 Draft 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 Draft Letter of Offer. Further, the industry data mentioned in this Draft 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 Draft Letter of Offer in this context.

ISSUE SPECIFIC RISKS

45. Our Company will not distribute this Draft 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 Draft 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.

46. 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 127.

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.

47. The R-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 R-WAP facility, has been instituted for making an Application in this Issue by Original Resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-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 127. 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, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failureor 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 R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

48. 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 willbe 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).

49. 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 byour 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.

50. 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 oflong-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.

51. 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.

52. 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.

53. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indianlaw 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.

54. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affectthe 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 inrecent 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.

55. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect thetrading 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.

56. Rights of shareholders under Indian laws may be more limited than under the laws of otherjurisdictions.

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 difficultyin asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

57. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have apotential 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 authoritiesimplementing 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 failor 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 Coronavirusor 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 treatits 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.

58. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as USGAAP 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 forthe 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 Draft 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 RestatedFinancial 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 Draft Letter of Offer should accordingly be limited.

59. Political, economic or other factors that are beyond our control may have adversely affect our businessand 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.

60. 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.

61. 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.

1. 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.
2. 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 suchnew 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 competitiveposition and profitability.

62. Financial instability in both Indian and international financial markets could adversely affect ourresults 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 otherlegislative and regulatory efforts on the global financial markets is uncertain, and they may not have hadthe 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 ofthe Equity Shares.

63. Inflation in India could have an adverse effect on our profitability and if significant, on our financialcondition.

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 increasein 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 levelswill not worsen in the future.

64. Foreign investors are subject to foreign investment restrictions under Indian law that limits our abilityto 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.

65. 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 andfinancial performance and the price of our Equity Shares.

66. 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.

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SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on May 23, 2022 pursuant to Section 62(1)(a) of the Companies Act.

The following is a summary of this Issue which should be read in conjunction with, and is qualified in its entirely by, the information detailed in the chapter titled "Terms of the Issue" on page 127 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 1,10,70,125 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/- (Rupees Eleven Only) including a premium of ₹ 1/- (Rupees One Only) per Rights Equity Share
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 pari pasu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	88,56,100 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	₹ 5.00 (including ₹ 1.00 Premium)
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
Scrip Details	ISIN: INE347C01013 BSE: 530449
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" on page 52 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" on page 127 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	0.00	27%	3.00
On First Call	3.00	0.00	27%	3.00
On Second Call	4.00	1.00	46%	5.00
Total	**10.00**	**1.00**	**100%**	**11.00**

Please refer to the chapter titled "Terms of the Issue" on page 127 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close ofbanking 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.*

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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 74 of this Draft Letter of Offer.

Registered office of Company	*Registrar of Companies*
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 Draft Letter of Offer:

Name	*Designation*	*DIN*	*Address*
Mahabir Prasad Rungta	Chairperson & Managing Director	00235632	S-75, Panchsheel Park, New Delhi-110017
Shruti Rungta	Executive Director	00229045	32/1, Hanuman Lane, G.P.O, New Delhi-110001
Tarun Kumar Megotia	Executive Director	01098092	S-75, Panchsheel Park, Malviya Nagar, New Delhi -110017, India
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 75 of this Draft Letter of Offer.

Chief Financial Officer

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

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@rungtairrigation.in

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

Advisor to Issue

Pro Legal Solutions LLP
F-84, Kalkaji, New Delhi-110019
Tel No. 011-20880035/+91-9910244832
Email: info@prolegalsolutions.co.in
Website: www.prolegalsolutions.co.in
Contact Person: Mr. Prashant Pratap Singh

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: Mr. Punit Mittal
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
Telephone: 011- 27352441 **Email:** mamrajandco@rediffmail.com
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.: 13526

Bankers to our Company
Kotak Mahindra Bank
Branch Address: GF, 1/11, East Patel Nagar, New Delhi - 110008
Telephone: +91-8087243518
Email: suyash.kumar@kotak.com
Website: www.kotak.com
Contact Person: Suyash Kumar

Banker to the Issue/ Refund Bank
[●]

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 R-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. G.K. Kedia & Co., Chartered Accountants, have given their consent to include their name as an expert defined under section 2(38) of the Companies Act in respect of their report dated June 08, 2022 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Draft Letter of Offer, and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term expert and consent thereof does not represent an "expert" 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 notrequired 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 thresholdof 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.

Filing Of Draft Letter Of Offer

SEBI vide its Amendment regulations i.e., SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, 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 Rupees ₹1,000 Lakhs to ₹5,000 Lakhs. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and not been filed with SEBI. However, the Letter of Offer shall be filed with SEBI.

Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is 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 "Terms of the Issue" on page 127 of this Draft Letter of Offer.

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CAPITAL STRUCTURE

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

Amount (in ₹ Lakhs, except share data)

S. No.	Particulars	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 Draft Letter of Offer**		
	Up to 1,10,70,125 Equity Shares face value of ₹ 10/- each at a premium of ₹ 1/- each i.e., at a price of ₹ 11 per right equity share.	1107.01	1217.71
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**		
	1,99,26225 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 May 23, 2022.

(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, 46% of the Issue Price shall be paid on or before the date of Second Call.

NOTES TO CAPITAL STRUCTURE

1) **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares:**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

2) **Details of Equity Shares held by the promoters and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares:**

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/rungta-irrigation-ltd/rungtair/530449/shareholding-pattern/

3) **Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer:**

No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of filing of this Draft Letter of Offer with the Stock Exchanges.

4) **Intention and participation by the promoter and promoter group:**

The Promoters and Promoter Group of our Company through their letter dated [●], have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and that they may renounce their Rights Entitlements.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or

kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

5) The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI (SAST) Regulations is ₹ 19.77.

6) **Shareholding Pattern of our company**

(i) The details of the shareholding pattern of our Company as on March 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/rungta-irrigation-ltd/rungtair/530449/shareholding-pattern/

(ii) The details of shareholders of our Company holding 1% or more of the paid-up capital as on December 31, 2021can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/rungta-irrigation-ltd/rungtair/530449/shareholding-pattern/

7) At any given time, there shall be only one denomination of the Equity Shares of our Company.

8) All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

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OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects

The objects of the Issue are:

A. Repayment of loan;
B. Working Capital Requirements;
C. 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	1217.71
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	1000.00
Working Capital Requirement	[●]
General Corporate Purpose	100.00
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	1000.00
3.	Working capital requirement	[●]
4.	General Corporate Purpose	100.00
	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 2022-23.

The funds deployment described herein is based on management estimates and current circumstances of ourbusiness 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

- ***Repayment of Loan:***

  We have availed Short term Loan, time to time, from different Companies (including NBFCs). As on date of this Draft Letter of Offer, our Company had total outstanding short term loans including interest due is Rs. 2117.21 lakhs as on 31st March, 2022.

  We intend to utilise Rs.1000.00 lacs out of the net proceeds of the Right issue in the Repayment of Loan taken from Gladiolus Finance Consultants Private Limited (NBFC).

  The Brief Terms of Loan taken from the aforesaid NBFC are:

S.No	Particulars of Lender	Amount in Lakhs
1	Gladiolus Finance Consultants Private Limited	1600.00

- ***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.

(Rupees in Lakhs)

Particulars	2022-23	2021-22	2020-21	2019-20
	Estimated	Audited	Audited	Audited
Current Assets				
Current Investments	-	-	-	-
Inventories	1959.26	1865.96	1518.16	861.19
Trade Receivables	3862.33	3678.41	2785.24	2487.87
Cash and Cash Equivalents	10.36	9.87	90.53	537.05
Short-term Loans and Advances	935.69	891.13	946.84	1292.28
Other Current Financial Assets	1.29	1.23	3.07	2.04
Current Tax Asset (Net)	-	-	62.46	57.94

Other Current Assets	1237.01	1178.10	1118.40	1009.58
Total (A)	**8005.94**	**7624.70**	**6524.70**	**6247.95**
Current Liabilities				
Short Term Borrowings	2223.07	2117.21	1251.21	1041.93
Trade Payables	110.84	105.56	73.65	242.83
Other Current Financial Liabilities	195.45	186.14	229.96	183.30
Other Current Liabilities	1233.16	1174.44	764.71	458.15
Short-term Provisions	11.81	11.25	32.24	32.00
Total (B)	**3774.33**	**3594.60**	**2351.77**	**1958.21**
Net Working Capital (A) - (B)	**4231.61**	**4030.10**	**4172.93**	**4289.74**
Owned Funds/Internal Accruals available for working capital	[●]			
Working Capital funding through Right Issue Proceeds*	[●]			

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

- ***General corporate purposes***

We intend to deploy ₹ 100.00 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:

Sr. No.	Particulars	Amount (Rs. in Lakhs)	As a % of Total expenses	As a % of total issue size
1	Registrars to the issue	[●]	[●]	[●]
2	Advisor to Issue	[●]	[●]	[●]
3	Banker to the issue	[●]	[●]	[●]
4	BSE Fees	[●]	[●]	[●]
5	Others, if any (to be specified). Peer Review Auditor & Statutory Auditor & other misc. expenses	[●]	[●]	[●]
Total		[●]	[●]	[●]

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibilityto 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 Bankof India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization ofthe 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 this Draft 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 theproceeds 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 (LODR) Regulations, we will disclose to the Audit Committeethe 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 Offerand 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 (LODR) 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 (LODR) 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 (LODR) 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.

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STATEMENT OF TAX BENEFITS

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

To, Date: 08.06.2022

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:

1. the Company or its shareholders will continue to obtain these benefits in future; or

2. 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 G.K.KEDIA & CO
CHARTERED ACCOUNTANTS
FIRM REGD. NO. 013016N

Sd/-
CA Kanishka Aggarwal
(PARTNER)
M. No. 544129
UDIN: 22544129ALBOK11452

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")

(a) Special tax benefits available to the Company under the Act
There are no special tax benefits available to the Company.

(b) Special tax benefits available to the shareholders under the Act
There are no special tax benefits available to the shareholders of the Company.

Notes:

1. 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.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect taxlaw benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessmentyear 2020-21.

4. 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.

5. 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.

6. 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.

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ANNEXURE 2

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

2. 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") (collectivelyreferred to as "indirect tax")

(a) Special indirect tax benefits available to the Company under the Act
There are no special indirect tax benefits available to the Company.

(b) 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 theShares of the Company.

Notes:

- 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.
- 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.
- 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.
- 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.

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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

At the time, we had projected the global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities. This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries— most affected.

Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, Central Asia, Middle East and North Africa, and sub-Saharan Africa are most affected. The food and fuel price increases will hurt lower-income households globally, including in the Americas and Asia.

A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January.

The war in Ukraine has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding fiscal buffers.

a) Tackling inflation: The transmission of the war shock will vary across countries, depending on trade and financial linkages, exposure to commodity price increases, and the strength of the preexisting inflation surge. The appropriate monetary policy response will therefore differ across economies. Central banks should remain vigilant to the impact

of price pressures on inflation expectations and continue to communicate clearly on the outlook for inflation and monetary policy.

b) Fiscal policy amid rising interest rates and a cost-of-living squeeze: Fiscal policies should depend on exposure to the war, the state of the pandemic, and the strength of the recovery. Following a huge and necessary fiscal expansion in many countries during the pandemic, debt levels are at all-time highs and governments are more exposed than ever to higher interest rates.

c) Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic remain essential. The adverse consequences from the current geopolitical conflict are a reminder of the importance of global cooperation. This extends from addressing the immediate needs of war refugees to the eventual great effort to rebuild Ukraine.

Emerging market and developing economies must extend their ambition to reduce emissions. And as the pandemic is not yet over, governments must use all tools at their disposal to combat the virus, both by meeting vaccination targets and by ensuring equitable access to tests and treatment.

Fragmentation and Fragility Set to Slow Growth during 2022–23

The war in Ukraine has led to extensive loss of life, triggered the biggest refugee crisis in Europe since World War II, and severely set back the global recovery. After a strong recovery in 2021, short-term indicators suggest that global activity has slowed (see Figure 1.1).

The ongoing war in Ukraine and sanctions on Russia are expected to reduce global growth in 2022 through direct impacts on the two countries and global spillovers. This shock comes just as the threat from the Omicron variant appeared to be fading, with many parts of world moving past the acute phase of the pandemic.

Five principal forces shape the near-term global outlook:

1. **War in Ukraine**: The invasion and resulting sanctions on Russia will have important consequences for the global economy. The baseline forecast assumes that the theater of conflict remains limited to Ukraine and that sanctions on Russia (along with European plans to become independent of Russian energy) do not tighten beyond those announced by March 31 and remain in place over the forecast horizon.
2. **Monetary tightening and financial market volatility**: Even before the war, inflation had risen significantly (Figure 1.2), and many central banks tightened monetary policy. This contributed to a rapid increase in nominal interest rates across advanced economy sovereign borrowers.

Figure 1.1. Global Activity Indicators
(Three-month moving average)

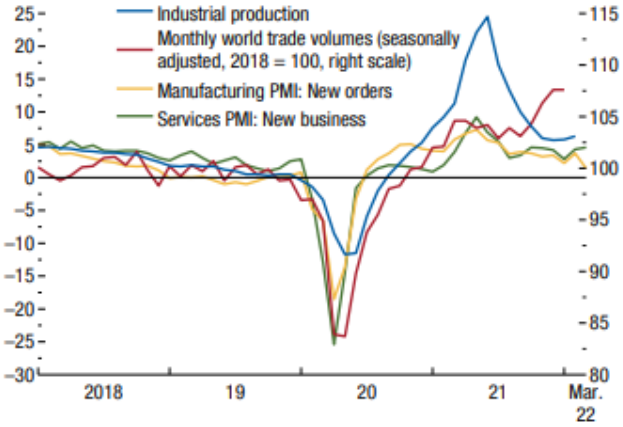
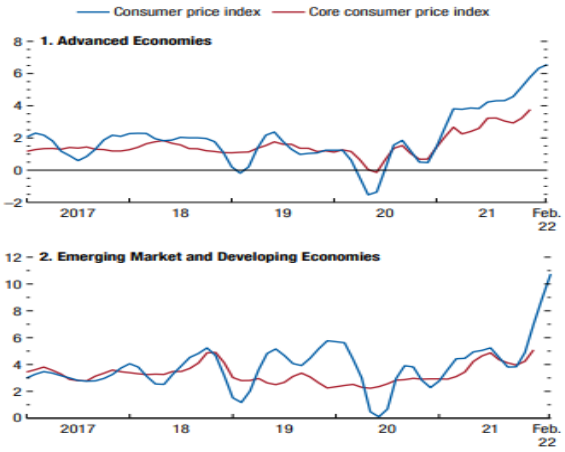


Figure 1.2. Inflation Trends
(Three-month moving average; annualized percent change)



In particular, the war and related sanctions have tightened global financial conditions, lowered risk appetite, and induced flight-to-quality flows. In Russia, the sanctions and the impairment of domestic financial intermediation have led to large increases in its sovereign and credit default swap spreads. Emerging market economies in the region, as well as Caucasus, Central Asia, and North Africa, have also seen their sovereign spreads widen (Figure 1.3).

1. **Fiscal withdrawal**: Policy space in many countries has been eroded by necessary higher COVID-related spending and lower tax revenue in 2020–21. Faced with rising borrowing costs, governments are increasingly challenged by the imperative to rebuild buffers. Fiscal support is set to generally decline in 2022 and 2023—particularly in advanced economies—as emergency measures to cushion the impact of the pandemic are wound down (Figure 1.4)

Figure 1.3. Monetary and Financial Conditions
(Percent, unless noted otherwise)

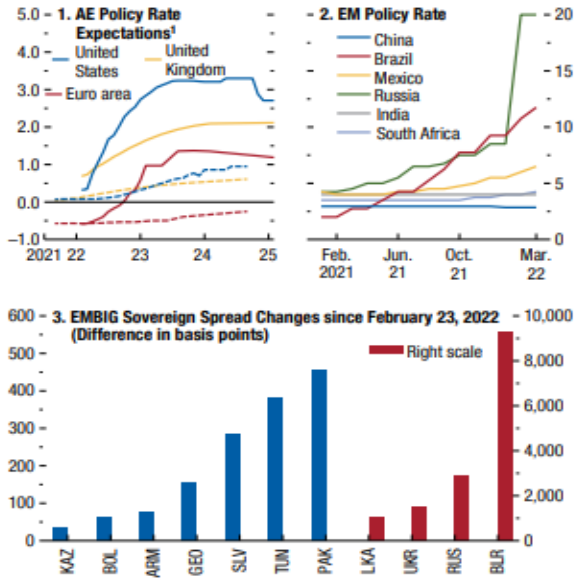
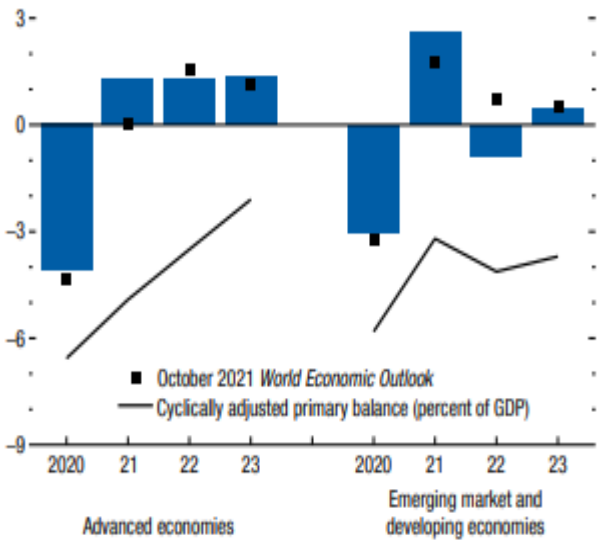
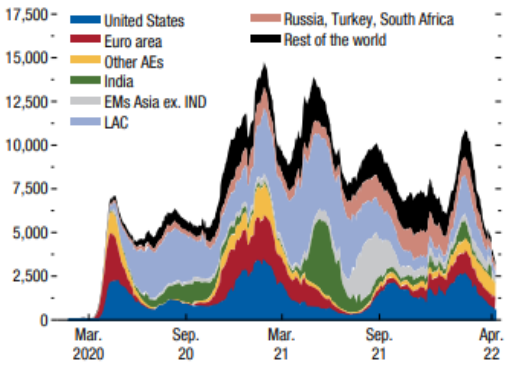


Figure 1.4. Fiscal Stance, 2020–23
(Change in structural primary fiscal balance, percent of potential GDP)



2. **China's slowdown**: Slowing growth in China's economy has wider ramifications for Asia and for commodity exporters. The combination of more transmissible variants and a zero-COVID strategy entail the prospect of more frequent lockdowns, with attendant effects on private consumption in China. Moreover, the continued tight stance toward highly leveraged property developers means that real estate investment remains subdued.
3. **Pandemic and vaccine access:** Worker shortages and mobility restrictions compounded supply disruptions and bottlenecks early in 2022, constraining activity and adding to inflation. Restrictions have begun to ease as the peak of the Omicron wave passes and global weekly COVID deaths decline (Figure 1.5).

Figure 1.5. New Confirmed COVID-19 Deaths
(Persons, seven-day moving average)



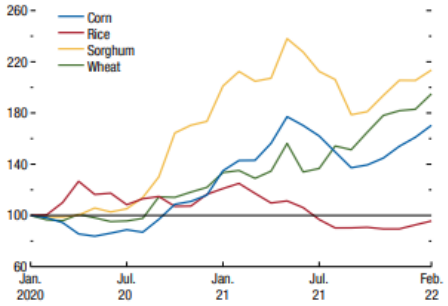
The baseline assumes that most countries will not attain the target of 70 percent full vaccination in 2022. Given vaccination shortfalls in low-income countries, the possibility of renewed outbreaks is factored into the baseline. Yet their impact on activity is assumed to be less than in earlier waves. Adaptation has improved, effective therapeutics are more readily available, and immunity due to previous infection or vaccination has increased. The forecasts are based on information up to 31 March 2022.

International Implications of the War in Ukraine:

Global commodity markets: War-related interruptions to production, sanctions, and strongly impaired access to cross-border payment systems will disrupt trade flows, notably for energy and food. The magnitude of these changes depends not only on the decline in exports as a result of the conflict and sanctions, but also on the elasticity of global supply and demand.

Prices of agricultural commodities are likely to rise further, particularly wheat (together, Russia and Ukraine account for close to 30 percent of global wheat exports) and, to a lesser extent, corn. These changes will add to already soaring prices of staple foods (Figure 1.6)

Figure 1.6. International Cereal Prices
(US dollars, index, January 2020 = 100)



Sources: IMF, Primary Commodity Price System; and IMF staff calculations.

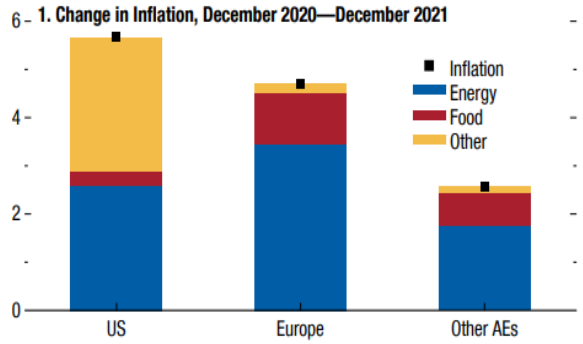
Propagation through cross-border production networks: The integration of Russia and Ukraine into global value chains extends beyond typical commodity linkages (Figure 1.9). Disruptions in upstream sectors can therefore cascade beyond bilateral trading partners.

Financial markets: Sanctions have induced direct financial stress on firms with outstanding payments for recent shipments or financial assets abroad. Beyond this, sanctions have also added operational challenges to market functioning and increased volatility. Counterparty risk and the risk of sovereign default have increased.

Humanitarian impact: A very large number of refugees have fled the war already, and many more may follow. In the short term, refugee arrivals will strain local services, including for shelter and health care. In the longer term, the dispersion of a large number of refugees across the European Union will have important social and economic effects, increasing labor supply but potentially exacerbating anti-immigrant sentiment.

Inflation forecast: With the impact of the war in Ukraine and broadening of price pressures, inflation is expected to remain elevated for longer than in the previous forecast. The conflict is likely to have a protracted impact on commodity prices, affecting oil and gas prices more severely in 2022 and food prices well into 2023. Inflation in 2023 is projected at 2.5 percent for the advanced economy group and 6.5 percent for emerging market and developing economies.

Energy and food prices were a major contributing factor to headline inflation in 2021, to varying degrees across regions (see the below Figure).
(Percentage points, unless noted otherwise)



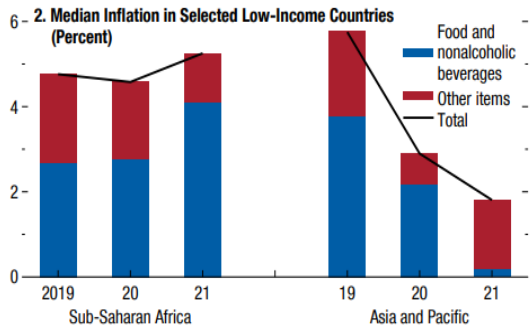


Table 1.1. Overview of the *World Economic Outlook* Projections

(Percent change, unless noted otherwise)

		Projections		Difference from January 2022 WEO *Update*[1]		Difference from October 2021 WEO[1]	
	2021	2022	2023	2022	2023	2022	2023
World Output	**6.1**	**3.6**	**3.6**	**–0.8**	**–0.2**	**–1.3**	**0.0**
Advanced Economies	**5.2**	**3.3**	**2.4**	**–0.6**	**–0.2**	**–1.2**	**0.2**
United States	5.7	3.7	2.3	–0.3	–0.3	–1.5	0.1
Euro Area	5.3	2.8	2.3	–1.1	–0.2	–1.5	0.3
Germany	2.8	2.1	2.7	–1.7	0.2	–2.5	1.1
France	7.0	2.9	1.4	–0.6	–0.4	–1.0	–0.4
Italy	6.6	2.3	1.7	–1.5	–0.5	–1.9	0.1
Spain	5.1	4.8	3.3	–1.0	–0.5	–1.6	0.7
Japan	1.6	2.4	2.3	–0.9	0.5	–0.8	0.9
United Kingdom	7.4	3.7	1.2	–1.0	–1.1	–1.3	–0.7
Canada	4.6	3.9	2.8	–0.2	0.0	–1.0	0.2
Other Advanced Economies[2]	5.0	3.1	3.0	–0.5	0.1	–0.6	0.1
Emerging Market and Developing Economies	**6.8**	**3.8**	**4.4**	**–1.0**	**–0.3**	**–1.3**	**–0.2**
Emerging and Developing Asia	7.3	5.4	5.6	–0.5	–0.2	–0.9	–0.1
China	8.1	4.4	5.1	–0.4	–0.1	–1.2	–0.2
India[3]	8.9	8.2	6.9	–0.8	–0.2	–0.3	0.3
ASEAN-5[4]	3.4	5.3	5.9	–0.3	–0.1	–0.5	–0.1
Emerging and Developing Europe	6.7	–2.9	1.3	–6.4	–1.6	–6.5	–1.6
Russia	4.7	–8.5	–2.3	–11.3	–4.4	–11.4	–4.3
Latin America and the Caribbean	6.8	2.5	2.5	0.1	–0.1	–0.5	0.0
Brazil	4.6	0.8	1.4	0.5	–0.2	–0.7	–0.6
Mexico	4.8	2.0	2.5	–0.8	–0.2	–2.0	0.3
Middle East and Central Asia	5.7	4.6	3.7	0.3	0.1	0.5	–0.1
Saudi Arabia	3.2	7.6	3.6	2.8	0.8	2.8	0.8
Sub-Saharan Africa	4.5	3.8	4.0	0.1	0.0	0.0	–0.1
Nigeria	3.6	3.4	3.1	0.7	0.4	0.7	0.5
South Africa	4.9	1.9	1.4	0.0	0.0	–0.3	0.0
Memorandum							
World Growth Based on Market Exchange Rates	5.8	3.5	3.1	–0.7	–0.3	–1.2	0.0
European Union	5.4	2.9	2.5	–1.1	–0.3	–1.5	0.2
Middle East and North Africa	5.8	5.0	3.6	0.6	0.2	0.9	0.1
Emerging Market and Middle-Income Economies	7.0	3.8	4.3	–1.0	–0.3	–1.3	–0.3
Low-Income Developing Countries	4.0	4.6	5.4	–0.7	–0.1	–0.7	–0.1
World Trade Volume (goods and services)	**10.1**	**5.0**	**4.4**	**–1.0**	**–0.5**	**–1.7**	**–0.1**
Imports							
Advanced Economies	9.5	6.1	4.5	–0.2	0.0	–1.2	0.4
Emerging Market and Developing Economies	11.8	3.9	4.8	–1.7	–0.9	–3.2	–0.9
Exports							
Advanced Economies	8.6	5.0	4.7	–1.1	0.0	–1.6	0.7
Emerging Market and Developing Economies	12.3	4.1	3.6	–1.7	–1.5	–1.7	–1.4
Commodity Prices (US dollars)							
Oil[5]	67.3	54.7	–13.3	42.8	–5.5	56.5	–8.3
Nonfuel (average based on world commodity import weights)	26.8	11.4	–2.5	8.3	–0.6	12.3	–1.0
Consumer Prices							
Advanced Economies	3.1	5.7	2.5	1.8	0.4	3.4	0.6
Emerging Market and Developing Economies[6]	5.9	8.7	6.5	2.8	1.8	3.8	2.2

Source: IMF staff estimates.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 7, 2022–March 7, 2022. 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, January 2022 WEO *Update*, and October 2021 WEO forecasts.

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

[3]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.

(Source - https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022)

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 nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY2021-22.

India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which 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 2030s, for productivity and economic growth according to McKinsey Global Institute. The 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.

According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 6.8 billion across 102 deals in November 2021, 42% higher than November 2020.

Some of the important recent developments in the Indian economy are as follows:

a. India's merchandise exports between April 2021 and December 2021 were estimated at US$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.
b. The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.38 trillion (US$ 18.42 billion) in January 2022. This was a 15% rise over a year ago.
c. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 547.2 billion between April 2000 and June 2021.
d. India's Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.
e. Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
f. Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21.
g. Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US$ 6.68 billion) in the Calendar year 2021.

Government Initiatives

The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments.

In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US$ 2.67 billion).

On February 2022, Ms. Nirmala Sitharaman Minster for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US$ 401.49 billion) in the next 5 years.

In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).
In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).

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

a) In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
b) Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
c) In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
d) In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).
e) In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
f) In May 2021, the Government of India has allocated Rs. 2,250 crore (US$ 306.80 million) for the development of the horticulture sector in 2021-22.
g) On January 29 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022.
h) In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.
i) In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.

Road Ahead

Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year.

Mr. Piyush Goyal said that India will achieve exports worth US$ 650 billion in the financial year 2021-22.
India's electronic exports are expected to reach US$ 300 billion by 2025-26 this will be nearly 40 times the FY2021-22 exports (till December 2021) of US$ 67 billion.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy.

India is 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. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

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.

(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 - 2027).

- 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 2021, 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 have been the most active players in the Indian 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

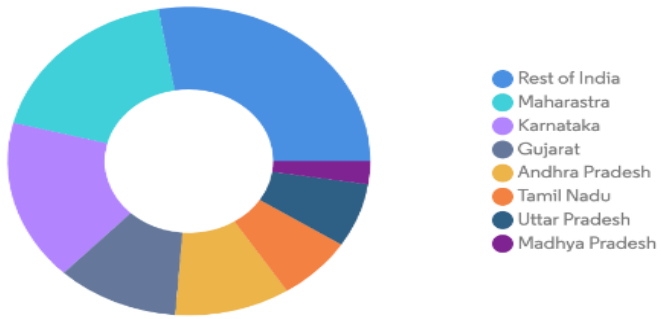
In recent years, the cultivation of flowers and vegetables has emerged as a major alternative to overcome yield issues, and as greenhouses ensure year-round production, farmers are showing greater interest in it. The greenhouses in the country are, mostly, equipped with micro-irrigation systems., and 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.

India Micro Irrigation Systems Market: Revenue in USD Million, Greenhouse, 2017-2021

Maharashtra is Dominating the Market

The Maharashtra government urged the Centre to allocate more funds under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) to bring at least 50% of agricultural land under micro irrigation over the next five years. It also urged the Centre to promote micro irrigation to crops beyond high, water-intensive sugarcane and bananas under the 'More Crop Per Drop' scheme. The financial burden under micro irrigation is shared by the Centre and state in a ratio of 60:40 for 2019-2020. For instance, the proposed expenditure for micro irrigation in Maharashtra is INR 653.33 crore, of which the Centre's share is INR 400 crore and the state's INR 253.33 crore. Farmers are provided subsidies for the installation of drip irrigation sets and sprinklers in their fields. In terms of acreage, the physical achievement of the state was more under a drip irrigation system. For instance, the acreage covered under the drip irrigation system in 2018 was 110,363 ha, whereas the area covered under sprinkler was 49,595.54 ha.

India Micro Irrigation Systems Market: Revenue Share (%), By State, 2021



Competitive Landscape

The Indian micro irrigation market is majorly consolidated, with top players Jain Irrigation Systems Ltd and Netafim Limited taking up the majority of the market share. Other players include Rivulis Irrigation, and Premier Irrigation Adritec. The most active players in the micro irrigation market are Jain Irrigation Systems and Netafim. They have high competition in capturing the market shares in most of the top agricultural states with high micro irrigation penetration.

Major Players
Jain Irriagtion Systems Limited
Netafilm
Kothari Agritech Private Limited
Finolex Plasson Industries Private Limited
Mahindra EPC Industries limited.
Rivulis Irrigation Ltd.

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 21 for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" on pages 86 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 IS0 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

1. **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.

2. **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.

3. **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.

4. **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.

5. **Elastomeric U PVC Pipes:**
Rungta Irrigation uPVC Pipes are manufacturers according to IS: 4985-2000. uPVC Pipes as per IS: 4985 being used in all conceivable applications ranging from 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.

6. **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.

7. **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.

8. **Drip Accessories:**

)

Manufacturing Units

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

Sr. 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
3	Plot No.B-7, Electronic Complex, Kushaiguda,, Hyderabad-500 062 (A.P.)
4	House No. 42, Road No 01, New Kauhidin Sakchi, Jamshedpur-831001

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 repute, 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 unable 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 60 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 21 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.

Sr. 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
3	Plot No. B-7, Electronic Complex, Kushaiguda,, Hyderabad-500 062 (A.P.)
4	House No. 42, Road No 01, New Kauhidin Sakchi, Jamshedpur-831001

Trademark

S.No.	Class	Word/Mark	Status
1.	21	RUNGTA	Registered
2.	99		Registered

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OUR HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of Our Company:

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.

RUNGTA IRRIGATION LIMITED, an IS0 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 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.

Changes In Our Registered Office:

The Registered office of the Company has not been shifted since incorporation.

Main Objects of Our Company:

1. To carry on the business of designing, developing, fabricating, assembling, manufacturing, buying, selling, importing, exporting, servicing, repairing, maintaining, leasing, hiring and otherwise dealing in all kinds of Plant, Machinery, Equipment's, including Pump Sets for Tubewelis, Engines, motors and their accessories, spares and components, tools, dies, jigs and fixtures of all kinds, sizes and descriptions including Sprinkler Irrigation System, their components and accessories.

2. To carry on the business of manufacturers, processors, drawers, extrudes, fabricators, importers, exporters, dealers, rollers and re-rollers of ferrous and non-ferrous metals including Aluminium, their various alloys and their products of all kinds, sizes and descriptions including sheets, plates, strips, rounds, angles, tubes, pipes and pipe fittings and other hardware items.

3. To construct, build, equip, maintain, Run Cold Storage's, Storage Chambers, Godowns, Warehouses and Freezing Houses for storing and preserving all kinds of agricultural products, fruits vegetables, dehydrated foods, perishable goods, medicines, articles, things and preparations of all kinds and descriptions whatsoever.

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OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Letter of Offer, our Board consist of 6 (Six) Directors, out of which 3 (Three) are Executive Directors, 3 (Three) are Non-Executive Independent Directors. Mr. Mahabir Prasad Rungta is the Managing Director of Our Company.

S.N.	Name	DIN	Category	Designation
1.	Mr. Mahabir Prasad Rungta	00235632	Executive	Managing Director
2.	Mrs. Shruti Rungta	00229045	Executive	Director
3.	Mr. Tarun Kumar Megotia	01098092	Executive	Director
4.	Mr. Devesh Poddar	07912263	Non-Executive	Independent Director
5.	Mr. Abdul Kalam	01869712	Non-Executive	Independent Director
6.	Mr. Vivek Agrawal	07794991	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this *Draft Letter of Offer:*

	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1	**Mahabir Prasad Rungta** ***Designation***: Managing Director ***Address:*** S75, Panchsheel Park, Panchsheel Enclave, South Delhi, Delhi-110017, India ***Date of Birth***: 07/01/1955 ***Qualification:*** Graduate ***Occupation***: Business ***Nationality:*** Indian ***Term:*** Period of 5 years w.e.f. September 29, 2020 ***Date of First Appointment***: 03/08/1993 ***Date of Appointment as MD:*** 29/09/2020 ***DIN:*** 00235632	66	1. Maa kali papers limited 2. Ramgarh sponge iron private limited 3. Global earth movers private limited 4. Manorath distributors private limited 5. Mp homes private limited 6. Shriram power & steel private limited 7. Samara realty private limited 8. Alchemist aviation private limited

2	**Shruti Rungta** ***Designation:*** Director ***Address:*** 32/1, Hanuman Lane, G.P.O, New Delhi-110001 ***Date of Birth:*** 19/08/1981 ***Qualification:*** Graduate ***Occupation:*** Employee ***Nationality***: Indian ***Term:*** Period of 5 years w.e.f. October 15, 2019 ***Date of Appointment*****:** 15/10/2019 ***DIN:*** 00229045	40	NIL
3	**Tarun Kumar Megotia** ***Designation:*** Director ***Address:*** S-75, Panchsheel Park, Malviya Nagar, New Delhi- 110017 ***Date of Birth:*** 24/10/1987 ***Qualification:*** Graduate ***Occupation:*** Employee ***Nationality:*** Indian ***Term:*** NA ***Appointed on*****:** 09/08/2021 ***DIN:*** 01098092	34	1. Waxindia specialities llp 2. Reyansh cascades llp 3. Ramgarh sponge iron private limited 4. Jisl irrigation private limited 5. Global earth movers private limited 6. Kalinga power corporation privatelimited 7. Vaishnodevi vinimay private limited 8. Samara realty private limited
4	**Devesh Poddar** ***Designation:*** Independent Director ***Address:*** 11B, Belair Apartment, Main Road Rachi Opp. Gel Chruch Complex, Ranchi, Jharkhand-834001 ***Date of Birth:*** 21/06/1992 ***Qualification:*** LLB ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Period of 5 years w.e.f. 09/08/2017 ***Appointed on:*** 09/08/2017 ***DIN:*** 07912263	29	1. Vasudha Travels Private Limited

5	**Abdul Kalam** **Designation:** Independent Director ***Address:*** 10/5, first floor, Sarvpriya Vihar, Haus Khas, Delhi-110016, India ***Date of Birth*****:** 09/01/1945 ***Qualification:*** Bachelor in Engineering ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Period of 5 years w.e.f. 07/02/2019 ***Appointed on:*** 07/02/2019 ***DIN***: 00444076	76	1. Plenum Miningcorp Private Limited 2. Re-Vive Policies India Private Limited
6	**Vivek Agrawal** **Designation:** Independent Director ***Address:*** Flat No. 1707, Sri Radhe Krishna Garden, Rameshwaram Street, Near NCC Camp, Ranchi, Jharkhand-834009 ***Date of Birth*****:** 06/08/1988 ***Qualification:***Graduate ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Period of 5 years w.e.f. 12/11/2018 ***Appointed on:*** 12/11/2018 ***DIN***: 07794991	33	1. Pyber technology LLP 2. Saakshi udyog private limited

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

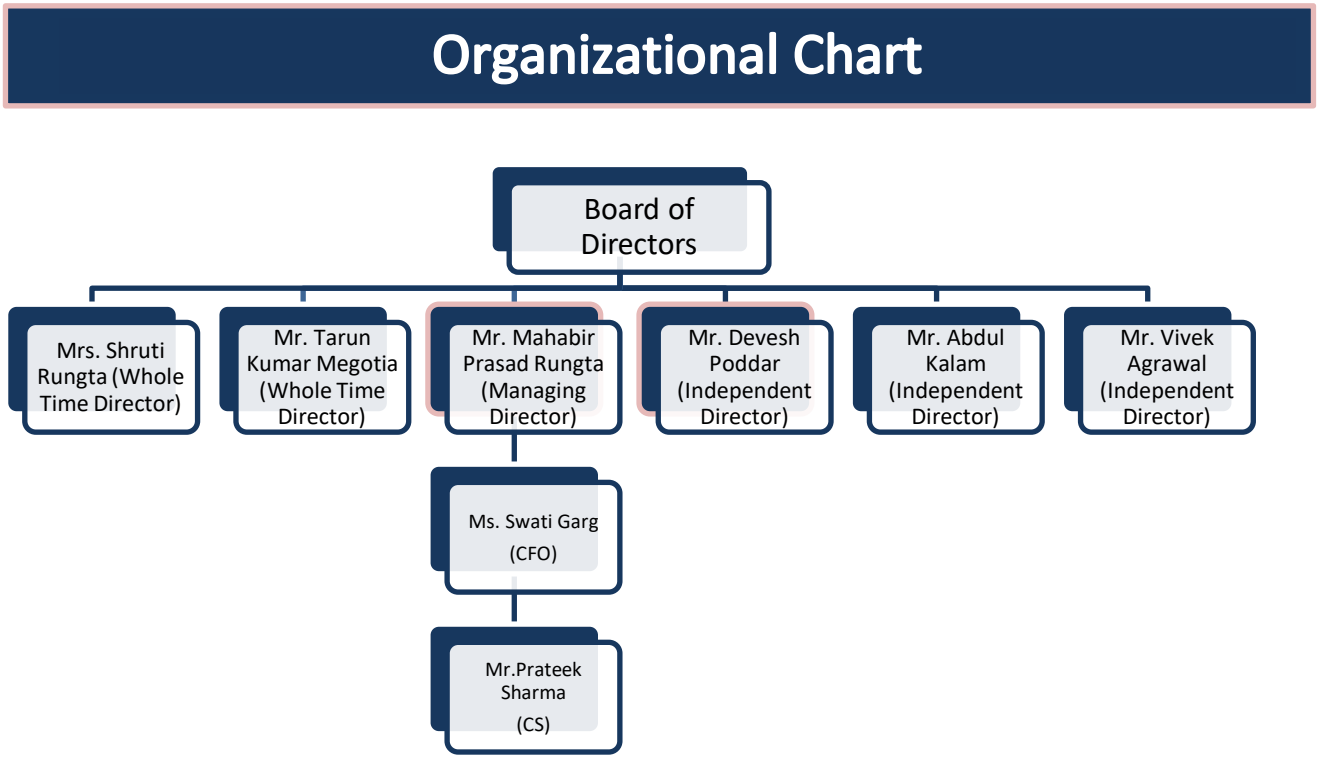
None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Name of the Director	Designation	Date of Appointment
Mr. Mahabir Prasad Rungta	Chairperson & Managing Director	03/08/1993
Mrs. Shruti Rungta	Whole time Director	15/10/2019
Mr. Tarun Kumar Megotia	Whole time Director	09/08/2021
Ms. Swati Garg	Chief Financial Officer	15/10/2020
Mr. Prateek Sharma	Company Secretary & Compliance Officer	07/02/2020

MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart;



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SECTION VI – FINANCIAL INFORMATION

Sr. No.	Particulars	Page Nos.
1.	The limited review report and unaudited Financial Results for the nine months period ended on 31st December, 2021 (Extract of Annual Report)	80
2.	The Statutory Auditor's Report and the Audited Financial Statements for the period ended 31st March, 2021.	82

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Rungta Irrigation Limited

CIN No. L74899DL1986PLC023934
Regd & Head Office: 101, Pragati Tower 26, Rajendra Place, New Delhi-110008

SYMBOL OF QUALITY

Statement of Standalone Unaudited Result for the Quarter and Nine Month ended Dec 31, 2021

(Figures in Lakhs except EPS)

	Particulars	For the Qtr Ended			For Nine Months Ended		Year Ended
		Dec 31,2021 Unaudited	Sep 30,2021 Unaudited	Dec 31,2020 Unaudited	Dec 31,2021 Unaudited	Dec 31,2020 Unaudited	Mar 31,2021 Audited
I	Revenue from operations (gross)	2,280.24	1,441.14	967.13	4,573.13	2,651.50	4,445.29
II	Other income	20.49	1.87	132.24	133.81	323.38	361.92
III	**Total revenue (1+2)**	**2,300.73**	**1,443.01**	**1,099.37**	**4,706.94**	**2,974.88**	**4,807.21**
IV	**Expenses**						
	(a) Cost of materials consumed	1,443.26	991.52	577.80	2,958.45	1,376.22	2,379.99
	(b) Purchases of stock-in-trade	161.32	71.56	124.36	272.01	323.66	509.89
	(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	124.46	(292.35)	(171.36)	(187.96)	(332.38)	(293.40)
	(d) Employee benefits expense	184.24	192.10	197.67	551.36	484.33	695.47
	(e) Finance costs	18.93	19.92	24.71	57.17	81.39	123.72
	(f) Depreciation and amortisation expense	32.36	32.52	23.88	92.90	65.30	94.83
	(g) Other expenses	295.34	313.57	266.69	790.96	846.18	1,173.37
	Total expenses	**2,259.91**	**1,328.84**	**1,043.75**	**4,534.89**	**2,844.70**	**4,683.87**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**	**40.82**	**114.17**	**55.62**	**172.05**	**130.18**	**123.34**
VI	Extraordinary items	-	-	-	-	-	-
VII	**Profit / (Loss) before extraordinary items and tax (V+VI)**	**40.82**	**114.17**	**55.62**	**172.05**	**130.18**	**123.34**
VIII	Extraordinary items	-	-	-	-	-	-
IX	**Profit before tax (VII-VIII)**	**40.82**	**114.17**	**55.62**	**172.05**	**130.18**	**123.34**
X	Tax expense:						
	(I) Current tax expense for current year	12.04	31.16	16.22	49.31	35.22	29.09
	(II) Income tax related to previous year	-	-	-	-	-	7.91
	(III) Deferred tax	(0.02)	0.89	(0.68)	(0.14)	17.36	30.91
	Total Tax Expenses	**12.02**	**32.05**	**15.54**	**49.17**	**52.58**	**67.91**
XI	Profit / (Loss) for the period (IX-X)	**28.80**	**82.12**	**40.08**	**122.88**	**77.60**	**55.43**
XII	**Other Comprehensive Income (Net of tax)**	0.73	1.59	9.55	4.46	15.10	24.57
XIII	**Total Comprehensive Income (OCI)**	**29.53**	**83.71**	**49.63**	**127.34**	**92.70**	**80.00**
XIV	Paid up Equity Share Capital (Face Value Rs 10/-Each)	885.61	885.61	885.61	885.61	885.61	885.61
XV	**Earnings per equity share:**						
	(1) Basic	0.33	0.93	0.45	1.39	0.88	0.63
	(2) Diluted	0.33	0.93	0.45	1.39	0.88	0.63

Notes:

1. The above Financial Results have been reviewed and recommneded by the Audit Committee and approved by the Board of Directors at their meeting held on Feb 14, 2022.
2. The Financial results have been reviewed by the Statutory Auditors of the company as required under regulation 33 of the Securities & Exchange Board of India (Listing Obligations and disclosure requiremnets) ("SEBI LODR") Regulations 2015. The Financial results of the company have been prepared in accordance with the recoginition and measurment principles laid down in Indian Accounting Standards notified under the Companies (Indian accounting Standards) rules as prescribed under section 133 of the Companies Act, 2013 received with relevant rules issued thereunder and other accounting policies generally accepted in India and disclose the information required to be disclosed in regulation 33 of SEBI LODR Regulation 2015.
3. The company hereby declares that the Auditors have issued Limited Review Report for the financial statements for the quarter ended Dec 31,2021.
4. Previous Period's/ Year's figures have been regrouped and reclassified, wherever necessary.
5. Unaudited Results of the company will be available on the website of the company.

By Order of the Board of Directors

Mahabir Prasad Rungta
(Chairman cum Managing Director)
DIN: 00235632

Date: 14-Feb-2022
Place: New Delhi

RUNGTA IRRIGATION LIMITED NEW DELHI

MAMRAJ & CO.
CHARTERED ACCOUNTANTS

To,
The Board of Directors,
Rungta Irrigation Limited

LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED December 31,2021 OF RUNGTA IRRIGATION LIMITED

We have reviewed the accompanying statement of Un-audited Standalone Financial Results of **RUNGTA IRRIGATION LIMITED,** 101 Pragati Tower, 26 Rajendra Place, New Delhi-110008 (the Company) for the Quarter ended December 31, 2021 (the Statement) attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the listing Regulations), read with SEBI Circular No. CIR/CFD/CMDl /44/2019 dated March 29, 2019 (the Circular).

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditors of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit.

We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (INDAS) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 of SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi
Date: 14.02.2022

For Mamraj & Co.
Chartered Accountants
F.R. No. 006396N

MAMRAJ & CO. NEW DELHI CHARTERED ACCOUNTANTS

Praveen Gupta
Partner
Membership No. 093403
UDIN: 22093403ACACAA3187

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL INFORMATION

To
The Members of Rungta Irrigation Limited

Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of Rungta Irrigation Limited [CIN: L74899DL1986PLC023934] ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures,

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss [including other comprehensive income], the Statement of changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls.
    g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements. Refer Note No. 38 to the IND AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR MAMRAJ & CO.
CHARTERED ACCOUNTANTS
FIRM REGD. NO. 006396N

Sd/-

PLACE: NEW DELHI
DATE: 30.06.2021
UDIN: 21093403AAAACJ1051

PRAVEEN GUPTA
(PARTNER)
M. No. 093403

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FINANCIAL STATEMENTS

BALANCE SHEET

(Amount in Lakh)

Particulars	Notes	As at March 31.2021	As at March 31,2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	**3.1**	892.66	755.86
Capital work in progress		128.29	0.90
Intangible Assets	**3.2**	-	0.13
Intangible Asset Under Development		3.21	0.51
Financial Assets			
(i) Investments	**4**	1403.18	1410.29
(ii) Others	**5**	132.13	183.85
Deferred tax assets (Net)	**6**	32.08	67.49
Total non-current assets(A)		**2,591.55**	**2,419.03**
Current Assets			
Inventories	**7**	1,518.	861.19
Financial Assets			
(i) Trade receivables	**8**	2,785.24	2,487.87
(ii) Cash and cash equivalent	**9**	90.53	537.05
(iv) Loans	**10**	946.84	1,292.28
(v) Others	**11**	3.07	2.04
Current Tax assets (Net)	**12**	62.46	57.94
Other current assets	**13**	1,118.40	1,009.58
Total Current assets(B)		**6,524.70**	**6,247.95**
TOTAL ASSETS(A+B)		**9,116.25**	**8,666.98**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**14**	885.61	885.61
Other equity	**15**	5,603.59	5,502.22
Total equity(A)		**6,489.20**	**6,387.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	**16**	222.89	236.99
(ii) Others		-	-
Long term provisions	**17**	52.39	83.95
Deferred tax liabilities (Net)	**6**	-	-
Total non-current liabilities(B)		**275.28**	**320.94**
Current liabilities			
Financial liabilities			

(i) Borrowings	**18**	1,251.21	1,041.93
(ii) Trade Payables	**19**	73.65	242.83
(iii) Others	**20**	222.96	183.30
Other current liabilities	**21**	764.71	484.15
Short term provisions	**22**	32.24	32.00
Total current liabilities(C)		**2,351.77**	**1,958.21**
TOTAL EQUITY AND LIABILITIES(A+B+C)		**9,116.25**	**8,666.98**

STATEMENT OF PROFIT AND LOSS

(Amount in Lakh)

Particulars	Notes	For the Year Ended March 31,2021	For the Year Ended March 31,2020
Revenue:			
Revenue from Operations (Net)	**23**	4,45.29	4,514.30
Other income	**24**	361.92	652.23
Total revenue (I)		**4,807.21**	**5,166.53**
Expenses:			
Purchases of Stock in Trade		509.89	100.64
Cost of Material Consumed	**25**	2,379.99	2,.408.79
Changes in inventories of Finished Goods, Work in Progress and stock in Trade	**26**	(293.40)	118.58
Employee benefit expenses	**27**	695.47	645.82
Finance costs	**28**	123.72	155.93
Depreciation and Amortization	**29**	94.83	103.81
Other expenses	**30**	1,173.37	1,532.72
Total Expenses (II)		**4,683.87**	**5,066.29**
Restated Profit before Exception Items and Taxes (III)=(I)-(II)		**123.34**	**100.24**
Less: Exceptional Items (IV)		-	-
Profit before Tax (V)		**123.34**	**100.24**
I. Current tax expense for current year		29.09	32.00
II. Income tax related to previous year		7.91	2.46
III. Deferred tax		30.91	(16.97)
Tax Expense (VI)	**31**	**67.91**	**17.49**
Restated Profit for the period/ year (VII)= (V)-(VI)		**55.43**	**82.75**
Other Comprehensive Income (OCI) (after tax)		24.57	(6.90)
Total Comprehensive Income for the period/year, net of tax (VIII)		**80.00**	**75.85**
Earning per equity share of ₹ 10 each		885.61	885.61
- Basic		0.63	0.93
- Diluted		0.63	0.63

STATEMENT OF CASH FLOW

(Amount in Lakh)

Particulars	Year Ended March 31,2021	Year Ended March 31,2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Exceptional items and Tax	123.34	100.24
Non-cash adjustments:		
Depreciation and amortisation expenses	94.83	103.81
Interest Expense	113.56	141.93
Interest Income	(311.27)	(517.12)
Prior Period Item	21.37	-
Dividend Received	(0.30)	(0.68)
Loss/ (Gain) on Sale of Property,Plant and Equipment	(38.20)	(6.83)
Operating profit before working capital changes	**3.33**	**(178.65)**
Changes in working capital:		
(Increase)/ Decrease in Inventories	(656.97)	157.61
(Increase)/Decrease in Trade Receivables	(297.37)	467.16
(Increase)/Decrease in Other receivables	288.34	(120.44)
(Increase)/Decrease in Trade Payables	(169.18)	(71.78)
Increase/(Decrease) in other liabilities	285.92	(15.93)
Cash generated from operations		
Income tax (Refund)/ paid during the year	(44.43)	(40.77)
Net cash from operating activities (A)	**(590.36)**	**197.20**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(372.36)	(30.76)
Sale of Property, Plant and Equipment	48.94	89.25
Sale/(Purchase) of Investment	30.98	(50.00)
Dividend Received	0.30	0.68
Interest Received	310.24	520.69
Net cash from investing activities (B)	**18.10**	**529.86**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital/application money	-	-
Interest paid on borrowings	(113.56)	(141.93)
Proceeds/(Repayment) of Borrowings	239.30	(138.51)
Net cash from financing activities (C)	**125.74**	**(280.44)**
Net increase in cash and cash equivalents (A+B+C)	**(446.52)**	**446.62**
Cash and cash equivalents at the beginning of the year	537.05	90.43
Cash and cash equivalents at the end of the year	**90.53**	**537.05**

Statement Of Changes In Equity

A. Equity Share Capital

Particulars	Amount
Balance as at March 31,2020	885.61
Changes in equity share capital during the year	-
Balance as at March 31,2021	885.61

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	General Reserve#	Retained Earnings	Capital Redemption Reserve	Securities Premium Reserve ^	Equity Instruments through OCI	Remeasurement of defined benefit Plan	
Balance as at April 1,2020	1,198.03	1,329.57	500.00	2,469.37	1.38	3.87	5,502.22
Profit for the year	-	55.43	-	-	-	-	55.43
Prior Period Exp		21.37	-				21.37
Other Comprehensive Income	-	-	-	-	-	-	-
-Defined Benefit Plan	-	-	-	-	20.80	3.77	24.57
-Fair Value Gain/(Loss) on investments	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	76.80	-	-	20.80	3.77	101.37
Balance as at Mar 31,2021	**1,198.03**	**1,406.37**	**500.00**	**2,469.37**	**22.18**	**7.64**	**5,603.59**

Notes :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income; items included in the General Reserve will not be reclassified subsequently to profit or loss.

#Securities Premium Reserve is used to record the premium on issue of shares. This is utilized in accordance with the provisions of the Companies Act, 2013.

#The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1) Corporate Information

Rungta Irrigation Limited ('The Company') is a public company domiciled in India and incorporated under the provision of the Companies Act. The shares of the Company are listed in India on Bombay Stock Exchange Limited. The Registered office of the Company is located at 101 Pragati Tower 26, Rajendra Place, New Delhi- 110008. The Company is primarily engaged in the activity of Manufacturing, assembling and marketing of Sprinkler Irrigation systems. The product range of the company includes HDPE, PVC, Aluminium, MDPE, Sprinklers Pipes & Drip Irrigation systems.

2) Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Financial Statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the "Ind-AS") as notified by the Ministry of Corporate Affairs, pursuant to section 133 of the Companies Act 2013 (The Companies (Indian Accounting Standards) Rules, 2015) and comply in all material aspects with their provisions.

Historical Cost Conventions and Fair Value

The Financial statements are prepared as per IND AS notified under companies (Indian accountingstandards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016.

The Financial Statements are prepared on Historical Cost method except for:-

- Derivative financial instruments

-Plan Assets of Defined employee benefit plans
-Certain financial assets and liabilities measured at Fair Value (refer accounting policy regarding financialinstruments)

Historical cost is generally based on the fair value of the consideration given in exchange for goods andservices.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Reporting Presentation Currency

All amounts in the financial statements and notes thereon have been presented in Indian Rupees (INR) (reporting and primarily functional currency of the company) and rounded off to the nearest Lakhs withtwo decimals, unless otherwise stated.

2.2 Classification of Assets and Liabilities

All the assets and liabilities are classified as current or non-current as per the Company's normal operatingcycle and other criteria set out in Ind-AS 1 notified under the Companies (Indian Accounting Standards) Rules, 2015. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, twelve months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities. However certain liabilities such as trade payables and some accruals for employee and other operating costs are part of theworking capital used in the Company's normal operating cycle, accordingly classified as current liabilities even if they are due to be settled more than twelve months after the reporting period.

2.3 Accounting Estimates & Judgements and key sources of estimation uncertainty

Due to the nature of the Company's operations, critical accounting estimates and judgements principallyrelate to the:

- Tangible fixed assets (estimate useful life);
- Intangible fixed assets (estimate useful life)
- Impairment testing (if and when applicable)
- Provision inventories (obsoleteness / lower net realizable value)
- Provision for doubtful debts
- Provision for employee's post-employment benefits (actuarial assumptions)

In preparing the financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assetsand liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The management of the Company makes assumptions about the estimated useful lives, depreciation methods or residual values of items of property, plant and equipment, based on past experience and information currently available. In addition, the management assesses annually whether any indicationsof impairment of intangible assets and tangible assets. The management of the Company believe that on balance sheet date no impairment indications were existing.

The management of the Company believe that the inventory balances on hand could be sold to the third parties at the disclosed value taking into consideration the condition of inventories held and current conditions in the market.

Furthermore, the management believe that the net carrying amount of trade receivables is recoverable based on their past experience in the market and their assessment of the credit worthiness of debtors at 31st March 2021.

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. In assessing the recoverability of Company's assets such as Investments, Loans, Intangible assets, Trade receivable etc. the Company has considered internal and external information. The Company's has done analysis of the assumptions used basis the internal and external information/indicators of future economic conditions, the Company's expects to recover the carrying amount of the assets.

2.4 Operating Segments

Company operates in only one reportable operating segment of manufacturing of irrigation products, inaccordance with the Ind AS 108 (Operating Segments).

2.5 Inventories

Inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores, packing materials are determined on FIFO basis. Finished Goods & Work in progress are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Non usable wastes are valued at net realizable value.

2.6 Property, Plant and Equipment

Land, buildings, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at historical cost or deemed cost less accumulated depreciation (except Land) and any accumulated impairment losses. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Capital work-in-progress includes cost of property, plant & equipment under installation/under development as at the balance sheet date.

2.7 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangibles assets have a finite life and are subsequently carried at cost less any accumulated amortization and accumulated impairment losses if any.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization methods and estimated useful lives:
Software - 4-6 Years

2.8 Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are groupedat the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Depreciation

Depreciation is provided on a pro-rata basis on the written down value method over the estimated useful lives of asset Land and capital work in progress are not depreciated. The estimated useful lives consideredfor providing depreciation on other substantial assets are as follows:

Factory Buildings – 30 Years Non
Factory Buildings- 60 Years
Plant and Machinery – 10-15 Years
Furniture and Fixtures- 10 Years Office

Equipment- 5 Years
Computers- 3 Years
Vehicles- 6-8 Years

The asset's useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset.

These are included in profit or loss within other income. Assets costing less than or equal to Rs. 5,000 are fully depreciated pro-rata from date of acquisition

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) **Initial recognition and measurement:**
All financial assets are recognized initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

b) **Subsequent measurement:**
For purposes of subsequent measurement financial assets are classified in two broad categories: Financial assets at fair value Financial assets at amortized cost.

c) **Classification:**
The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

d) **Financial assets measured at amortized cost:**
Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The losses arising from impairment are recognized in the Statement of profit and loss. This category generally applies to trade and other receivables.

e) **Financial assets measured at fair value through other comprehensive income (FVTOCI):**
Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

f) **Financial assets measured at fair value through profit or loss (FVTPL):**
Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

g) **Derecognition of Financial assets:**
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognize either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognized at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

h) **Impairment of Financial assets:**
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

Financial Liabilities

(a) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Classification & Subsequent measurement:

If a financial instrument that was previously recognized as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(c) Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognized at fair value. Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

(d) Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is alegally enforceable right to offset the recognized amounts and there is an intention to settle on a net basisto realize the asset and settle the liability simultaneously. Subsequent recoveries of amounts previously written off are credited to Other Income.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

2.12 Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component.

2.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions in the nature of long term are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.14 Employee Benefits

a) Short Term Obligations

All employee benefits payable within twelve months of rendering the service are classified as short termemployee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, ex-gratia, and incentives are recognized in the period during which the employee renders the related service.

b) Post-Employment Obligations

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized.

2.15 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes/ duties collected on behalf of the government.

(a) Sale of goods

Revenue from the sale of goods is recognized, when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts, volume rebates. Accordingly, revenues from sale of goods are stated gross of GST not received by the company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

(b) Interest income

Interest income is recognized using the time proportion basis, based on the underlying interest rates.

(c) Rental Income

Rental income is recognized on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

(d) Dividend

Dividend is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.16 Income Taxes

The income tax expense is the tax payable on the current period's taxable income based on the applicableincome tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realizationor settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Foreign currency transactions and translation

Transactions in foreign currencies are recorded in functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception for exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.18 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Transaction cost in respect of long- term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.19 Contingent Liability and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognized, but are disclosed in the notes. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

2.20 Earnings per Share

As per Ind AS 33, Earning per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments. Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.21 Share Capital and Securities Premium Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium reserve.

Notes to the financial statements

NOTE 3.1: PROPERT, PLANT & EQUIPMENT

Particulars	Land	Building	Plant & Machinery	Vehicles	Furniture& Fixture	Office Equipment	Computer	Softwares	Total
Gross Block									
Balance as at April 1, 2020	**367.14**	**112.14**	**427.39**	**297.56**	**10.50**	**26.85**	**14.12**	**0.35**	**1,256.05**
Additions for the period		-	217.48	0.77	9.17	3.90	10.84	0.11	242.27
Disposals			15.35	0.87	-	0.06	-	-	16.28
Balance as at March 31, 2021	**367.14**	**112.14**	**629.52**	**297.46**	**19.67**	**30.69**	**24.96**	**0.46**	**1,482.04**
Accumulated Depreciation									
Balance as at April 1, 2020	-	**36.70**	**223.75**	**201.66**	**4.97**	**21.09**	**11.67**	**0.22**	**500.06**
Depreciation for the year		6.79	47.23	29.54	2.80	3.49	4.72	0.24	94.81
Deductions/adjustments		-	4.79	0.70	-	-	-	-	5.49
Balance as at March 31, 2021	**-**	**43.49**	**266.19**	**230.50**	**7.77**	**24.58**	**16.39**	**0.46**	**589.38**
Net Carrying Value									
Balance as at March 31, 2020	**367.14**	**75.44**	**203.64**	**95.90**	**5.53**	**5.76**	**2.45**	**0.13**	**755.99**
Balance as at March 31, 2021	**367.14**	**68.65**	**363.33**	**66.96**	**11.90**	**6.11**	**8.57**	**-**	**892.66**

NOTE 4: INVESTMENTS

Particulars	Paid Up Value (Rs.)	As at Mar 31,2021		As at March 31,2020	
		No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments					
I) Quoted (at Fair Value through OCI)					
Caprihans Limited	10 each	10.00	0.01	10.00	0.01
DLF limited	2 each			1,000.00	1.46
Eveready Industries Limited	5 each			333.00	0.25
Finolex Industries Limited	10 each	100.00	0.64	100.00	0.45
Gammon India Limited	2 each	100.00		100.00	-
Hindalco Limited	1 each			4,000.00	6.00
Kingfa Science and Technologies (India) Limited	10 each	10.00	0.06	10.00	0.04
Jindal Poly Films Limited	10 each	1,000.00	7.40	1,000.00	3.09
Jindal Poly Investment and Finance Co. Limited	10 each	250.00	0.08	250.00	0.02
Mcleod Russell India Limited	10 each	333.00	0.06	333.00	0.02

Nilkamal Limited	10 each	100.00	1.95	100.00	1.06
Nocil Limited	10 each			200.00	0.17
PIL ITA LICA Lifestyle Limited	1 each*	400.00	0.07	100.00	-
Pearls Polymers Limited	10 each	100.00	0.01	100.00	0.01
Reliance Communication Limited	10 each	2,000.00	0.03	2,000.00	0.02
Padmini Tech limited	10 each	100.00		100.00	-
Reliance Industries Limited	10 each	250.00	5.01	250.00	4.05
Suzlon Energy Limited	2 each	1,000.00	0.05	1,000.00	0.04
Tata Steel Limited	10 each	-		2,000.00	6.19
Unitech Limited	2 each	1,000.00	0.02	1,000.00	0.02
Universe Photo Imagings Limited		250.00	0.40		
(A)		**7,003.00**	**15.79**	**13,986.00**	**22.90**
II) Unquoted (at Fair Value Through OCI)					
Akshay Ispat Udyog Private Limited	100 each	27,500.00	27.50	27,500.00	27.50
Sangam Aluminium Limited	10 each	13,200.00	0.39	13,200.00	0.39
JISL irrigation Limited	10 each	18,400.00	4.62	18,400.00	4.62
Manortha Distribution Private Limited	10 each	1,27,715.00	12.77	1,27,715.00	12.77
Alchemist Aviation Private Limited	10 each	5,00,000.00	50.00	5,00,000.00	50.00
Ramgarh Sponge Iron Private Limited	10 each	39,14,601.00	1,242.11	31,64,601.00	1,242.11
Jharkhand Ispat Private Limited	10 each	5,00,000.00	50.00	5,00,000.00	50.00
(B)		**51,01,416.00**	**1,387.39**	**43,51,416.00**	**1,387.39**
Total (A) +(B)	**-**	**51,08,419.00**	**1,403.18**	**43,65,402.00**	**1,410.29**

*** Face Value changed from Rs. 4 per share to Rs. 1 per share**

NOTE 5 : OTHER FINANCIAL ASSETS

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
(Unsecured considered good, unless otherwise stated)		
Security deposits	57.47	69.24
Balance with Banks		
- In Fixed Deposits *	74.66	114.61
Total	**132.13**	**183.85**

* Pledged with Bank as Margin Money

NOTE 6: DEFERRED TAX ASSETS/LIABILITIES (NET)

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
Deferred Tax Assets	36.59	67.49
Deferred Tax Liabilities	4.51	-
Net deferred tax assets/ (liabilities)	**32.08**	**67.49**

NOTE 7: INVENTORIES

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
(Valued at lower of cost or net realisable value)		
Raw Materials	555.63	197.35
Finished Goods/Semi Finished Goods/ Work in Progress	917.83	624.43
Stores and Spares	44.7	39.41
Total	**1,518.16**	**861.19**

NOTE 8 : TRADE RECEIVABLES

Particulars	As at	
	31-Mar-21	31-Mar-20
Unsecured, Considered Good	2,785.24	2,487.87
Unsecured, Considered Doubtful	-	-
	2,785.24	2,487.87
Less : Provision for Doubtful Debts	-	-
Total	**2,785.24**	**2,487.87**

NOTE 9 : CASH AND CASH EQUIVALENTS

Particulars	As at	
	31-Mar-21	31-Mar-20
-Balance with banks in current accounts	82.73	526.98
-Cash in hand	7.80	10.07
Total	**90.53**	**537.05**

NOTE 10: CURRENT LOANS

Particulars	As at	
	31-Mar-21	31-Mar-20
(Unsecured considered good, unless otherwise stated)		
Loan to Related Parties	-	245.58
Loan to Employees	3.04	7.27
Others	943.80	1,039.43
Total	**946.84**	**1,292.28**

NOTE 11: OTHER FINANCIAL ASSETS

Particulars	As at	
	31-Mar-21	31-Mar-20
Interest accrued on:		
Term deposits	3.07	2.04
Others	-	-
Total	**3.07**	**2.04**

NOTE 12: CURRENT TAX ASSETS (NET)

Particulars	As at	
	31-Mar-21	31-Mar-20
Advance Income Tax (Net of Provision for Tax)	62.46	57.94
Total	**62.46**	**57.94**

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at	
	31-Mar-21	31-Mar-20
Unsecured, considered good:		
Balance with Government Authorities	953.80	783.67

Prepaid Expenses	8.61	4.29
Advance to Suppliers	67.77	40.81
Insurance Claim Recoverable	35.90	35.90
Other	52.32	144.91
Total	**1,118.40**	**1,009.58**

NOTE 14 : SHARE CAPITAL

Particulars	**31-Mar-21**		**31-Mar-20**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Authorised Share Capital				
Equity Shares of ₹ 10 each	2,00,00,000.00	2,000.00	1,60,00,000.00	1,600.00
Total	**2,00,00,000.00**	**2,000.00**	**1,60,00,000.00**	**1,600.00**
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 10 each	88,56,100.00	885.61	88,56,100.00	885.61
Total	**88,56,100.00**	**885.61**	**88,56,100.00**	**885.61**

a) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of Equity Share Capital

Particulars	**31-Mar-21**		**31-Mar-20**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Shares outstanding at the beginning of the year	88,56,100.00	885.61	88,56,100.00	885.61
Shares issued during the year	-	-	-	-
Share outstanding at the end of the year	**88,56,100.00**	**885.61**	**88,56,100.00**	**885.61**

c) Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	**31-Mar-21**		**31-Mar-20**	
	Number of shares held	**% of holding**	**Number of shares held**	**% of holding**
Skyblue Earthmovers and Investment Pvt. Ltd.			-	-
Gladiolus Finance Consultants Pvt. Ltd.	13,77,300	15.55%	13,77,000	15.55%
Samara Realty Pvt Ltd	16,05,100	18.12%	16,05,000	18.12%
Apex Finance Ltd	5,00,000	5.65%	5,00,000	5.65%
Manoratha Distributor Pvt Ltd	5,03,465	5.68%	5,03,000	5.68%
Mr. Mahabir Prasad Rungta	13,45,600	15.19%	12,65,000	14.29%
Mrs.Priya Rungta	8,12,900	9.18%	6,29,000	7.10%
Mrs. Shruti Rungta	5,11,400	5.77%	5,11,000	5.77%
Mrs. Urmila Rungta	4,98,200	5.63%	4,98,000	5.63%

d) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 15: OTHER EQUITY

Particulars	As at	
	31-Mar-21	31-Mar-20
Capital Redemption Reserve	500.00	500.00
Securities Premium Reserve	2,469.37	2,469.37
General Reserve	1,198.03	1,198.03
Retained Earnings	1,406.37	1,330.95
Other Comprehensive Income	29.82	3.87
Total	**5,603.59**	**5,502.22**

NOTE 16: NON-CURRENT BORROWINGS

Particulars	As at	
	31-Mar-21	31-Mar-20
At Amortised Cost		
Term Loans(secured)		
Indian rupee loan from Bank (refer note a and b below)	381.96	351.94
Less: Amount disclosed under the head other current financialliabilities 'Current Maturities of Long Term Debt'	(159.07)	(114.95)
Total	**222.89**	**236.99**

a. Term Loan
India Rupee loan from bank comprises of loans having interest in the range of 8.00% p.a. to 8.50 % p.a.Term Loan are secured by first pari passu charge on entire present and future current assets and second charge on present and future movable fixed assets of the Company situated at Industrial Property located at TS No. F32 1PT and cadastre No. 120-3pt,RS No. 64, Beside Vasavi Pigments, Near Durgamma Temple, Dariyalatippa Road, Adavipolam Yanam, Pondicherry-533464, & Industrial Property located at Plot No. C-176, Bulandshahar Road, Industrial Area, Site No. 1, Ghaziabad, UP and industrial property located at Plot No. C- 165, Bulandshahar Road, Industrial Area, Site No. 1, Ghaziabad, UP

b. Loans against movable assets hypothecated for vehicles carries an interest rate of 8.00% to 9.25% p.a.

NOTE 17: LONG TERM PROVISIONS

Particulars	As at	
	31-Mar-21	31-Mar-20
Provision for Gratuity	52.39	83.95
Grand Total	**52.39**	**83.95**

NOTE 18: SHORT-TERM BORROWINGS

Particulars	As at	
	31-Mar-21	31-Mar-20
Secured		
Loans repayable on demand from Banks (Refer Note)	690.46	735.23
Unsecured		
Loans from Related Parties	560.75	306.70
Other	-	-
Total	**1,251.21**	**1,041.93**

Working Capital Facilities of the Company from banks are secured by first pari passu charge on entire present and future current assets and second charge on present and future movable fixed assets of the Company situated at Industrial Property located at TS No. F32 1PT and cadastre No. 120-3pt, RS No. 64, Beside Vasavi Pigments, Near Durgamma Temple,

Dariyalatippa Road, Adavipolam Yanam, Pondicherry-533464, & Industrial Property located at Plot No. C-176, Bulandshahar Road, Industrial Area, Site No. 1, Ghaziabad, UP and industrial property located at Plot No. C-165, Bulandshahar Road, Industrial Area, Site No. 1, Ghaziabad, UP.

NOTE 19: TRADE PAYABLES

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
Total outstanding dues to micro enterprises and small enterprises	1.22	53.87
Total outstanding dues to other than micro enterprises and small Enterprises	72.43	188.96
TOTAL	**73.65**	**242.83**

NOTE 20: OTHER FINANCIAL LIABILITIES

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
Unpaid Dividend^^	15.05	15.05
Security Deposits	55.84	53.30
Current Maturities of Long Term Debt (Refer Note 16)(from Banks)	159.07	114.95
TOTAL	**229.96**	**183.30**

#Amount held in abeyance due to legal cases pending and does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.

NOTE 21 :OTHER CURRENT LIABILITIES

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
Statutory Remittances	18.26	4.44
Advances from customers and others	118.54	127.86
Employee related payables	106.72	104.66
Expense payable	518.71	219.15
Other payables	2.48	2.04
Total	**764.71**	**458.15**

NOTE 22: SHORT-TERM PROVISIONS

Particulars	**As at**	
	31-Mar-21	**31-Mar-20**
Provision for Gratuity	3.15	-
Provision for Income Tax (Net of Advance Tax)	29.09	32.00
Grand Total	**32.24**	**32.00**

NOTE 23: REVENUE FROM OPERATIONS

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Sale of Products		
Finished Goods:		
Within India	4,424.16	4495.03
Outside India	21.13	19.27
Total	**4,445.29**	**4,514.30**

NOTE 24: OTHER INCOME

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Interest Income	311.27	517.12

Dividend Received	0.30	0.68
Profit on Sale of Property, Plant & Equipment	38.20	6.83
Foreign Exchange Fluctuation Gain	6.86	0.14
Sundry Balances W.off/Back	-	110.97
Purchase Discount	-	7.46
Miscellaneous Income	5.29	9.03
Total	**361.92**	**652.23**

Note 25: COST OF MATERIALS CONSUMED

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Opening Stock of Raw Material	197.35	233.51
Add: Purchases of Raw Material	2,738.27	2372.63
Less: Closing Stock of Raw Material	555.63	197.35
Total	**2,379.99**	**2,408.79**

NOTE 26: CHANGES IN INVENTORIES OF FINISGED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
As at the end of the reporting period/year		
Finished Goods	863.83	578.56
Work in Progress	54.00	45.87
Store and Spare Parts	-	24.73
Total (A)	917.83	649.16
As at the beginning of the reporting period/year		
Finished Goods	578.56	595.45
Work in Progress	45.87	82.70
Store and Spare Parts	-	89.59
Total (B)	624.43	767.74
Total (B-A)	**(293.40)**	**118.58**

NOTE 27: EMPLOYEE BENEFIT EXPENSE

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Salaries and wages	602.84	526.89
Contribution to provident and other funds	29.52	29.93
Gratuity expense	14.44	24.70
Staff welfare expenses	48.67	64.30
Total	**695.47**	**645.82**

NOTE 28: FINANCE COSTS

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Interest Expense	113.56	141.93
Foreign Exchange Fluctuation Loss	-	0.81
Others (Bank Charges)	10.16	13.19
Total	**123.72**	**155.93**

NOTE 29: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Propert, Plant and Equipment	94.83	103.76
Intangible Assets	-	0.05
Right of Use Assets	-	-
Total	**94.83**	**103.81**

NOTE 30: OTHER EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumable Stores	21.01	10.64
Power and Fuel	162.28	147.31
Repairs and Maintenance:		
Plant & Machinery	27.38	15.62
Buildings	7.16	6.13
Others	3.57	6.91
Other Manufaturing expenses	7.19	3.01
Auditors Remuneration	4.25	4.25
Carriage Outwards	90.98	160.67
Sales Promption	2.30	5.07
Electricity & Water Expenses	16.22	8.71
Insurance Charges	5.27	9.27
Legal & Professional Charges	45.14	35.07
Telephone & Internet Expenses	5.76	4.32
Rent Expenses	49.81	51.99
Rates and taxes	5.81	4.99
Installation Expenses	2.01	0.00
Donation	1.62	5.33
Commission to selling agents	543.49	482.27
Travelling & Conveyance Expenses	53.58	67.56
Festival Expenses	1.38	0.69
Vehicle Running & Maintenance	25.87	18.89
Inspection/Testing Exp	24.08	10.62
Selling & Disctribution Exp	6.90	2.70
Miscellaneous Expenses	36.64	95.33
Printing & Stationery	4.64	3.81
Bad Debts Written Off (Net of write back of liabilities)	19.03	371.56
Total	**1,173.37**	**1,532.72**

Remuneration to Auditor's comprises:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
To Statutory Auditors		
For Audit (including quarterly reviews)	3.00	3.00
For Taxation Matters	1.25	1.25
Other Services	-	-
Total	**4.25**	**4.25**

Note 31: Tax Expenses

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Income Tax			
Current Tax on profits for the year		29.09	32.00
Adjustments for current tax of prior periods		7.91	2.46
Total current tax expense	**(A)**	**37.00**	**34.46**
Deferred Tax			
(Decrease) / increase in deferred tax liabilities		30.91	(16.97)
Total deferred tax expense/(benefit)	**(B)**	**30.91**	**(16.97)**
Total		**67.91**	**17.49**

32.1	**Financial instruments by category**						
		As at 31 March 2021			**As at 31 March 2020**		
		FVTPL	**Amortised Cost**	**Cost**	**FVTPL**	**Amortised Cost**	**Cost**
	Financial assets						
	Investments						
	Quoted Equity Shares	15.79	-	-	22.90	-	-
	Un-Quoted Equity Shares		1,387.39			1,387.39	
	Other non-current financial assets	-	132.13	-	-	183.85	-
	Trade receivables	-	2,785.24	-	-	2,487.87	-
	Cash and cash equivalents	-	90.53	-	-	537.05	-
	Loans & Advances	-	946.84	-	-	1292.28	-
	Other current financial assets	-	3.07	-	-	2.04	-
		15.79	**5,345.20**	**-**	**22.90**	**5,890.48**	**-**
	Financial liabilities						
	Borrowings		222.89	-		236.99	-
	Short terms borrowings		1,251.21	-		1,041.93	-
	Trade payables		73.65	-		242.83	-
	Other current financial liabilities		229.96	-		183.30	-
		-	**1,777.71**	**-**	-	**1,705.05**	**-**
32.2	**Fair Value Hierarchy**						
(a)	This section explains the judgments and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.						
Financial assets and liabilities measured at fair value Rs In Lacs							

	As at 31st March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
Investments	-	-	-	-
Quoted Equity Shares	15.79	-	-	15.79
Unquoted Equity Shares	-	-	1,387.39	1,387.39
Total	**15.79**	**-**	**1,387.39**	**1403.18**
Note: Sangam Aluminium Ltd, 13200 shares amounting Rs.0.39 classified under unquoted.				
	As at 31st March 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
Investments	-	-	-	-
Quoted Equity Shares	22.90	-	-	22.90
Unquoted Equity Shares	-	-	1,387.39	1,387.39
Total	**22.90**	**-**	**1,387.39**	**1410.29**

	Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
	Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, theinstrument is included in level 2.
	Level 3: If one or more of the significant inputs is not based on observable market data, the instrument isincluded in level 3. This is the case for unlisted equity securities.
	There are no transfers between level 1 and level 2 during the year
(b)	**Valuation technique used to determine fair value**
	Specific valuation techniques used to value financial instruments include: - the use of quoted market prices or dealer quotes for similar instruments -the fair value of forward foreign exchange contracts is determined using forward exchange rates at thebalance sheet date - the fair value of the remaining financial instruments is determined using discounted cash flow analysis. All of the resulting fair value estimates are included in level 2 or level 3, where the fair values have beendetermined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
(c)	**Fair value estimation**

	Estimated fair value disclosures of financial instruments are made in accordance with the requirements of Ind AS 107 "Financial Instruments: Disclosure". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. As no readily available market exists for a large part of the Company's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Company could realize in a market exchange from the sale of its full holdings of a particular instrument.
	The following summarizes the major methods and assumptions used in estimating the fair values of financialinstruments.
	Interest-bearing borrowings
	Fair value is calculated based on discounted expected future principal and interest cash flows. The carrying amount of the Company's loans due after one year is also considered as reasonable estimate of their fair values as the nominal interest rates on the loans due after one year are variable and considered to be a reasonable approximation of the fair market rate with reference to loans with similar credit risk level and maturity period at the reporting date.
	Trade and other receivables / payables
	Receivables / payables typically have a remaining life of less than one year and receivables are adjusted for impairment losses. Therefore, the carrying amounts for these assets and liabilities are deemed to approximate their fair values, as the allowance for estimated irrecoverable amounts is considered a reasonable estimate of the discount required to reflect the impact of credit risk.
	Other long term receivables
	These receivables are regularly reviewed and adjusted for impairment losses. Therefore, management considers the carrying amount of these receivables to approximate fair value.
(d)	**Valuation process**
	The accounts & finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This teamreports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods. The main level 3 inputs for unlisted equity securities, contingent considerations and indemnification assetused by the Company are derived and evaluated as follows: • Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset. • Risk adjustments specific to the counterparties (including assumptions about credit default rates) arederived from credit risk grading determined by the Company's internal credit risk management group. • Earnings growth factor for unlisted equity securities are estimated based on market information for similartypes of companies. Changes in level 2 and 3 fair values are analyzed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.
33.	**Financial risk management**
(a)	**Risk management framework**

	In the ordinary course of business, the Company is exposed to a different extent to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, price risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.
(b)	**Credit risk**
	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in financial instruments.
	The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.
	Trade and other receivables
	Credit risk is the risk that a customer may default or not meet its obligations to the company on a timely basis, leading to financial losses by the Company. The management has an advance collection /credit policy criteria in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Before accepting a new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits separately for each individual customer. The gross carrying amount of trade receivables as at 31st March 2020 aggregates Rs 2487.87 lacs (Previous year ended 31st March 2019 Rs 2955.03 Lacs). The Company reviews for any required allowance for impairment that represents its expected credit losses in respect of trade receivables. Investments are reviewed for any fair valuation loss on periodically basis and necessary provision/fair valuation adjustments has been made based on the valuation carried by the management to the extent available sources, the management does not expect any investment counterparty to fail to meet its obligations.
(c)	**Liquidity Risk**
	Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due. The Company's liquidity position is carefully monitored and managed. The Company has in place a detailed budgeting and cash forecasting process to help ensure that it has adequate cash available to meet its payment obligations.
	Further, the Company continues to maintain enough liquidity buffer to meet additional demands that may emerge on account of COVID-19 crisis.
	The following table provides details of the remaining contractual maturity of the Company's financial Liabilities. It has been drawn up based on the undiscounted cash flows and the earliest date on which the Company can be required to pay. The table includes only principal cash flows.

Rs in Lacs

	Carrying Amounts 31 March 2021	**Contractual cash flows**				
		Total	**0 to 1 years**	**1 to 2 years**	**2 to 5 years**	**Morethan 5 years**
Non-derivative financial liabilities						
Borrowings	222.89	222.89	-	111.65	97.77	13.46
Short term borrowings	1,251.21	1,251.21	1,251.21	-		-
Trade payables	73.65	73.65	73.65	-		-
Other current financial liabilities	229.96	229.96	229.96	-		-

Total non-derivative liabilities	**1,777.71**	**1,777.71**	**1,554.82**	**111.65**	**97.77**	**13.46**

	Carrying Amounts 31 March 2020	Contractual cash flows				
		Total	**0 to 1 years**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	236.99	236.99	-	124.36	112.63	-
Short term borrowings	1,041.93	1,041.93	1,041.93	-	-	-
Trade payables	242.83	242.83	242.83	-	-	-
Other current financial liabilities	183.30	183.30	183.30	-	-	-
Total non-derivative liabilities	**1,705.05**	**1,705.05**	**1,468.06**	**124.36**	**112.63**	**-**

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate becauseof changes in market prices. Market prices mainly comprise three types of risk: currency rate risk, interest rate risk and other price risks. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange.

(e) Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily withrespect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rupees).

Exposure to currency risk

The summary of quantitative data about the Company's exposure (Unhedged) to currency risk as reported tothe management of the Company is as follows :

Rs in Lacs

Nature	**Cross Currency**	**As at 31st March 2021**		**As at 31st March 2020**	
		Foreign Currency	**INR (In Lacs)**	**Foreign Currency**	**INR (In Lacs)**
Financial Liabilities					
Trade and Other Payables	USD : INR	-	-	-	-
Financial Assets					
Advance to Supplier	USD : INR	-	-	1969.94	1.48

(f) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2020, 31 March 2019 and 31 March 2018, the Company's borrowings at variable rate were denominated in INR Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Note 34: Income Tax

		For the year ended 31st March 2021	For the year ended 31st March 2020
34.1	Income Tax Expenses recognised in Statement of Profit and Loss		
	Current income tax expense for the year	29.09	32.00
	Income tax related to previous year	7.91	2.46
	Deferred Tax		
	Deferred income tax (benefit)/expense for the year	30.91	-16.97
	MAT Credit Entitlement	-	-
	Total Income tax expense recognised in statement of profit and loss for the year	67.91	17.49
34.2	Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income		
	Income before income taxes	123.34	100.24
	Indian Statutory Income tax Rate	27.82	25.168
	Estimated income tax expenses	34.31	25.23
	Tax effects of adjustments to reconcile expected income tax expense to reported income tax expense:		
	Effect of Expenses disallowed	10.63	8.39
	Deductions	-16.09	(2.78)
	Others	0.24	1.16
		29.09	32.00

Note 35: Capital Management

	The Company manages its capital to ensure to continue as a going concern while maximizing the return to the equity holders through optimization of the debt to equity balance. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual , sourcing of capitalised one through judicious combination of equity and borrowing , both short term and long term. Consistent with others in the industry, the Company monitors capital on the basis of the optimum gearing ratio of Net debt (comprising total borrowings net of cash & bank balances and current investment) in proportion to Total Equity.		
		As at 31st March2021	**As at 31st March2020**
	Debt to Equity Ratio :	0.40	0.36

Note 36: Contingent Liabilities and Capital Commitments:

36.01	Contingent Liabilities not provided for :
	The company has given counter guarantee to the bankers against guarantees issued by Banks on behalf of the company amounting to Rs.431.76 Lacs (Previous Year: Rs. 423.78 Lacs). The liability may arise in case of failure in supply of material or malfunctioning of products supplied by the Company.

36.02	Few cases under various laws are pending against the Company at different judiciaries, the outcome of which may result in certain losses to the Company to the extent of Rs. 104.81/-lacs (previous year Rs.104.81/- lacs.)		
36.03	**Income Tax Cases**		
a)	According to Central Processing Centre Bangalore certain demands are outstanding against the company for 3-4 years, which are very old. However no details are available regarding these demands and hence no provisions are made for such demands. The same will be accounted for at the time of payment, if any.		
b)	Year wise details of demands alongwith their assessment status is as under:-		
	Assessment Year	**Demand (Rs.)**	**Status**
	2012-13	3,18,70,100	Pending before CIT (A)
	2013-14	95,15,960	Pending before CIT (A)
	2014-15	8,50,58,300	Pending before CIT (A)
	2016-17	85,04,967	Pending before CIT (A)
	2017-18	17,14,220	Pending before CIT (A)

Note 37: Related Party Transactions

1	**Relationships:**
a)	**Company/Firm in Which Director and Their Relatives Are Interested**
1	Re-Vive Policies India Private Limited
2	Vasudhatravels Private Limited
3	Jisl Irrigation Private Limited
4	Ramgarh Sponge Iron Private Limited
5	Global Earthmovers Private Limited
6	Kalinga Power Corporation Private Limited
7	Manorath Distributors Private Limited
8	Gladilous Micro Services Private Limited
9	Shriram Power & Steel Private Limited
10	Samara Reality Private Limited
11	Alchemist Aviation Private Limited
12	MP Homes Private Limited
13	Wax India Specialties LLP
14	Vaishnodevi Vinimay Private Limited
15	Samadhan Irrigation & Polyplast Private Limited
16	Pyber Technology LLP
17	Deserve Deal Trade Private Limited
18	Gladious Finance Consultants Private Limited
19	Gladious Mercantile Private Limited
20	Gladious Stock Management Private Limited
21	Nextgen Vincom Private Limited
22	Sangini Suppliers Private Limited
23	Depose Vintrade Private Limited
24	DBS Building Products Private Limited
25	Akshay Ispat Udyog Private Limited
26	Arvind Construction Private Limited
27	Arvind Medicare Private Limited
28	Arvind Overseas Project Services Private Limited
29	PC Bangur Private Limited
30	Chanderi Wax Specialities Private Limited

31	Sweta Trading Co.
32	Delhi Builders Store
b)	Directors and their Relatives
1	Sh. Mahabir Prasad Rungta (Chairman cum Managing Director)
2	Sh. Krishna Murthy Nagarur (Joint Managing Director)
3	Sh. Tarun kumar Megotia (Whole Time Director)
4	Ms. Priya Rungta
5	Mrs. Shruti Rungta (Whole Time Director)
6	Sh. Devanand Mishra
7	Sh. Davesh Poddar
8	Sh. Abul Kalam
9	Sh. Vivek Aggarwal
10	Ms. Namrata Megotia
11	Ms. Jyoti Rungta
12	Ms. Sweta Rasiwasia
13	Ms. Urmila Rungta
14	Sh. Aditya Rasiwasia
15	Sh. Gaurav Jain
16	Sh. Samrat Jain
17	Sh. Ankur Gupta
c)	Key Management Personnel & Relatives
1	Mr. Sachin (CFO) (Upto 15.10.2020)
2	Ms Swati Garg (CFO) (From 15.10.2020)
3	Mr. Prateek Sharma (C.S.)

2	**Following transactions were carried out with related parties in the ordinary course of business:**						
	Particular of Transaction	**As at 31st March 2021**			**As at 31st March 2020**		
		Company/Firm in Which Director and Their Relatives Are Interested	**Directors and their Relative S**	**Key Management Personnel & Relatives**	**Company/Firm in Which Director and Their Relatives Are Interested**	**Directors and their Relatives**	**Key Management Personnel & Relatives**
	Sale	0.99	-	-	151.39	-	
	Purchase	-	-	-	-	-	
	Director Remuneration	-	51.12	-	-	52.62	
	Sale of Fixed Asset	-	-	-	86.40	-	
	Rent Paid	4.80	9.12	-	4.80	6.36	
	Rent Received	-	-	-	0.84	0.84	
	Loan Taken	1,571.54	-	-	906.20	-	
	Repayment of Loan	272.50	-	-	633.70	-	
	Interest Paid	17.28	-	-	53.95	-	
	Interest Received	22.10	-	-			
	Loan Given	657.74	-	-	298.24	-	
	Loan Received Back	-	-	-	52.67	-	
	Board Sitting Fee	-	1.34	-	-	1.29	
	Salary	-	33.13	16.35	-	34.67	12.96
	Balance As At 31.03.2021	(55.98)	(4.58)	(0.01)	95.96	(0.88)	
	Receivable	0.10			425.38	(0.01)	
	(Payable)	(56.08)	(4.58)	(0.01)	(329.41)	(1.48)	

	Investment As At31.03.2021	1,387.39			1,387.00		

Note 38: Disclosure of Employee benefit

	Particulars		
		As at 31st March 2021	**As at 31st March 2020**
i.	Change in defined benefit obligation		
	A. Present Value of Obligation as at the beginning of the year	126.78	115.17
	B. Current Service cost	12.36	10.20
	C. Interest Cost	6.44	6.80
	D. Benefit Paid	(4.14)	(4.27)
	E. Actuarial (Gain)/Loss	(5.22)	(1.12)
	F. Past service cost including curtailment Gains/loss		22.63
	G. Present defined Value of obligation (G=A+B+C+D+E+F)	136.22	149.41
ii.	Change in Fair Value of Plan Assets		
	A. Present Value of Obligation as at the beginning of the year	65.46	55.20
	B. Interest Income	4.35	4.20
	C. Actual Company contribution	15.00	10.00
	D. Benefit Paid from fund	(4.13)	(3.55)
	E. Actuarial (Gain)/Loss	-	(0.39)
	F. Past service cost including curtailment Gains/loss	-	-
	G. Present Value of obligation (G=A+B+C+D+E+F)	80.68	65.46
iii.	Net Liability recognised in Balance Sheet	55.54	83.95
	Recognized Under:		
	Short Term Provision	3.15	-
	Long Term Provision	52.39	83.95
iv.	Expense Recognised in the Profit and Loss Account		
	A. Current Service Cost	12.36	6.92
	B. Net Interest Cost	2.08	8.60
	C. Remeasurement - Actuarial (Gain)/Loss	-	9.18
	D. Past Service Cost including curtailment Gains/Losses		-
	E. Net Charge (A+B+C+D)	14.44	24.70
v.	Principal Actuarial Assumptions		
	A. Discount Rate (P.A.)	6.82%	7.25%
	B. Salary Escalation Rate (P.A.)	For First Year : 0% Thereafter: 5%	6.00%
vi.	Demographic Assumptions		
	1. Retirement Age	58.00	58.00
	2. Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
	3. Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
	Upto 30 Years	5.00	5.00
	From 31 to 44 Years	3.00	3.00
	Above 44 Years	2.00	2.00

Note 39: Turnover, Opening and Closing Stock of Finished Goods

			2020-21		2019-20	
a.	**Turnover**	**Units**	**Qty.**	**Rs. In Lacs**	**Qty.**	**Rs. In Lacs**
	Aluminium Pipes	NOS	6,979.00	112.86	7,170	110.14
	HDPE Pipes	NOS	3,45,749.00	1,229.81	6,63,372	2,631.98
	PVC Pipes	NOS	29,808.33	252.35	1,25,025	454.38
	Accessories, Fittings & Other			2,850.28		1,228.94
	Total			4,445.30		4,425.44
	Trading Goods (Coal & Other)					88.86
	Gross Total			4,445.30		4,514.30
b.	**Opening Stock**					
	Aluminium Pipes	NOS	1,659	18.38	609	6.00
	HDPE Pipes	NOS	28,757	158.46	29,976	123.34
	PVC Pipes	NOS	11,233	46.47	1,08,892	85.89
	Accessories, Fittings & Other		-	355.26		380.22
				578.57		595.45
c.	**Closing Stock**					
	Aluminium Pipes	NOS	1191.68	12.67	1,659	18.38
	HDPE Pipes	NOS	48306	204.03	28,757	158.46
	PVC Pipes	NOS	12044	57.65	11,233	46.47
	MDPE Pipes	NOS	59	1.14		
	Accessories, Fittings & Other		-	588.34		355.26
				863.83		578.57
d.	**Raw Material Consumption**					
	HDPE Granuels	MT	949.60	838.47	1,276.44	953.04
	PVC Resin	MT	286.15	296.89	436.17	334.68
	MDPE Granuels	MT	453.45	463.06	-	-
	Accessories, Fittings & Others	-		781.57		1,121.07
				2,379.99		2,408.79

e.	**Value of imported and indigenousRaw Material,**		**% of total**		**% of total**	
(i)	**Stores & Spares consumed:**		**Consumption**	**Rs. In lacs**	**Consumption**	**Rs. In lacs**
	Raw Material					
	Imported		12.93%	307.82	-	-
	Indigenous		87.07%	2072.17	100%	2408.79
(ii)			**100 %**	**2379.99**	**100%**	**2408.79**
	Stores and Spares					
	Imported		-	-	-	-
	Indigenous		100%	21.01	100%	10.65
(iii)			**100%**	**21.01**	**100%**	**10.65**
	Trading Goods					
	Imported		-	-	20.83%	16.12
	Indigenous		100.00%	509.89	79.17%	61.27
			100.00%	509.89	**100.00%**	77.39
f.	**CIF Value of imports**			590.74		29.07

g.	**Earnings in Foreign Exchange**					
	FOB Value of Export of Goods			21.13		19.27
h.	**Expenditure in Foreign Currency**					
	-Travelling Expenses			2.46		4.56
	Medical expenses			-		0.35
	Goods			590.74		16.12
	Fixed Assets			-		12.95
				593.20		**33.98**
i	**Managerial Remuneration:**			**2020-21**		**2019-20**
	Details of payments and provisions on account of Remuneration to Managing Director and Whole TimeDirector.					
	- Salary			26.37		25.70
	- Provident Fund			1.55		1.94
	- Allowances and Benefits			20.69		25.63
				48.60		**53.27**

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2021, and March 31, 2020. For further details please refer to the chapter titled "Financial Statements" beginning on page **86** of this Draft Letter of Offer.

Particulars	For the Year Ended March 31st, 2021	For the Year Ended March 31st, 2020
Earning per share (EPS) (Basic and Diluted) (₹)	0.63	0.93
Return on Net Worth (%)	0.85%	1.30%
Net Asset Value per Share (₹)	7.33	7.21
EBITDA (₹ in Lakhs)	(85.05)	(145.50)
EBITDA (%)	(1.77%)	(2.82%)

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year.
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year.
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year.
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Audited Financial Statements

STATEMENT OF CAPITALISATION

(₹ in Lakh)

Particulars	Pre-Issue as at 31.03.2021	Post Issue
Borrowings		
Short Term Borrowings (A)	1,251.21	-
Long Term Borrowings (B)	222.89	-
Total Borrowings (C) = (A+B)	**1474.10**	-
Shareholders' Fund (Equity)		
Equity share capital (D)	885.61	-
Other Equity (E)	5,603.59	-
Total Equity (F) = (D+E)	**6489.20**	-

Note: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2021.

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on the BSE Limited.
1) Year is a Financial Year
2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	Date of High	High	Volume on the Date of High	Date of Low	Low	Volume on the Date of Low	Average price for the Year
2021-2022	09.02.2022	33.10	65	13.04.2021	15.55	315	40.88
2020-2021	17.07.2020	25.5	50	19.11.2020	15.05	120	27.8
2019-2020	03.02.2020	23.00	2	27.07.2019	14.05	456	25.55

Source: www.bseindia.com

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

Year	Date of High	High	Volume on the Date of High	Date of Low	Low	Volume on the Date of Low	Average price for the Month
January 2022	January 18, 2022	33.95	1077	January 27, 2022	26.05	139	30.00
February 2022	February 10, 2022	34.75	3588	February 17, 2022	28.35	300	31.55
March 2022	March 04, 2022	32.55	84	March 29, 2022	24.15	284	28.35
April 2022	April 27, 2022	28.00	100	April 06, 2022	25.00	62	26.50
May 2022	May 31, 2022	28.95	100	April 17, 2022	21.75	01	25.35
June 2022	June 03, 2022	32.80	988	June 13, 2022	28.95	268	30.87

Week end closing prices of the Equity Shares for the last four weeks:

Week Ended on	Closing Price	High price	Date of High	Low Price	Date of Low
June 03, 2022	30.30	32.80	June 03, 2022	27.60	May 30, 2022
May 27, 2022	26.30	26.30	May 27, 2022	22.80	May 24, 2022
May 20, 2022	21.75	21.75	May 17, 2022	21.75	May 17, 2022
May 13, 2022	21.75	24.70	May 10, 2022	21.75	May 13, 2022

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 Draft 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 financialposition.

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.

(1) 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	5	14,78,951
Indirect Tax	8	92,720
Total	**13**	**15,71,671**

(2) 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

(3) **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.

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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 businessand 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 52 of this Draft Letter of Offer.

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MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2021, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The Board of Directors of our Company has at its meeting held on June 30, 2021, approved the audited financial statements for the year ended March 31, 2021 and the shareholders of the Company have, at annual general meeting of the Company held on September 31, 2021, adopted the audited financial statements for the year ended March 31, 2021.

2. The Board of Directors of our Company has approved to raise funds through Rights Issue in the board meeting held on May 23, 2022.

3. The Board of Directors of our Company has at its meeting held on May 23, 2022, approved the constitution of Rights Issue Committee.

4. The Rights Issue Committee of our Company has at its meeting held on May 23, 2022, approved Right Issue Size of ₹1217.71 Lakhs, to issue 1,10,70,125 Equity Shares as rights issue at a price of ₹ 11/- per equity share in the ratio 1.25:1 i.e. (1.25 equity shares for every 1 equity Share) held by the eligible shareholders as on the Record Date, [●].

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated May 23, 2022, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board/Rights Issue Committee, in its meeting held on May 23, 2022 has resolved to issue the Equity Shareson rights basis to the Eligible Equity Shareholders, at ₹ 11/- per Equity Share [(including a premium of ₹ 1/- perEquity 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 127 of this Draft 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 orany authority/court as on date of this Draft 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 SEBIin the five years preceding the date of filing of this Draft 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.

Directors Associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters byany 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 orare 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 Companyare presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable

provisions of the SEBI (ICDR) Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI.

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 isless 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 ofour 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 its 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 independentadvice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulationsthereunder. 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 usethe Exchange's name in this Draft 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:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, itsmanagement or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved bythe 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 connectionwith such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for anyother 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 Sharessubsequent 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 Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/Letter of offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letterand the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outsideIndia is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required toinform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to theEligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who haveprovided 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 Draft 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 Draft 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 suchjurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would beillegal 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 doso 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 OTHERJURISDICTION AT ANY TIME.

Consents

Consents in writing of our Promoters, Directors, Auditors, 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 Draft Letter of Offer.

Our Company has received written consent dated [●] from G.K. Kedia & Co, Chartered 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 June 08, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

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

M/s. G.K. Kedia & Co., Chartered Accountants, have given their consent to include their name as an expert defined under section 2(38) of the Companies Act in respect of their report dated June 08, 2022 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Draft Letter of Offer, and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term expert and consent thereof does not represent an "expert" within the meaning under the Securities Act.

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 Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achievethe 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 116 of this Draft 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 ListingRegulations. 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 onlineby 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 transferof shares and effective exercise of voting rights. Beetal Financial & Computer Services Private Limited is our Registrar and Share TransferAgent. 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 receiptof the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issueor 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 ordemat 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 ofthe 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 Draft 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 and Company Secretary and Compliance Officer of our company at details given below:

Registrar to the Issue	Company Secretary and Compliance Officer
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	Mr. Prateek Sharma Address: 178 Pokar Quater, Rani Bazar, Bikaner, Rajasthan-334001 Telephone: +91 9069571168 E-mail: cs@rungtairrigation.in

Investors may contact the Registrar to the Issue and 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.

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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 Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft 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 Draft 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 Draft 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 http://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 Draft Letter of Offer, 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.

- **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, theApplication Form, the Rights Entitlement Letter and other Issue material will be sent only to their valide-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, thenthe Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue materialwill be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft 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 Draft Letter of Offer will be sent only to their valide-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, thenthe Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft 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. http://www.beetalfinancial.com/ ("R-WAP")

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from thewebsite 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 shall be responsiblefor non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, Letter of Offer, the AbridgedLetter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt ofthis Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the ApplicationForm 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 Draft Letter of Offer, 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 Draft Letter of Offeris being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, 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 Draft Letter of Offer, 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 orto any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, 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 makingan Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, 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 Sharesor the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the RightsEntitlement 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 their respective affiliates to any filing or registration requirement (other than in India). If thisDraft Letter of Offer, 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 makean Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letterof 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 their respective affiliates to make any filing or registration (other than in India).

- **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circularsand 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 accountsor demat suspense escrow account, as applicable. For further details on the Rights Entitlements and dematsuspense 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 allRights 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 inwhich they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholdersare 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:

- 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
- 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 Sharesin 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 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 permittedto 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.

1. Options available to the Eligible Equity Shareholders

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

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

- apply for its Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Equity Shares to the extent of part of its Rights Entitlements (withoutrenouncing the other part); or
- apply for Equity Shares to the extent of part of its Rights Entitlements and renouncethe other part of its Rights Entitlements; or
- apply for its Equity Shares to the full extent of its Rights Entitlements and apply foradditional Equity Shares; or renounce its Rights Entitlements in full.

2. Making of an Application through the ASBA process

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to havean 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) forauthorizing 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 ASBAAccount 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 anyother SEBI registered SCSB(s). Such account shall be used solely for the purpose of making anApplication in this Issue and clear demarcated funds should be available in such account for such an Application.

The 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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:

- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- Do not send your physical Application to the 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.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- Do not submit Application Form using third party ASBA account.

3. 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:

- ✓ 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.
- ✓ 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.
- ✓ Non-resident Shareholders are not eligible to apply in this Issue through R-WAP.
- ✓ 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.
- ✓ 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.
- ✓ 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.
- ✓ 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.
- ✓ 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).
- ✓ 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 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:*

- Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- 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.
- 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.
- Ensure that you receive a confirmation e-mail or confirmation through other applicablemeans on successful transfer of funds.
- 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 andClient ID, as applicable and all such other details as may be

required.
- Ensure that you receive an acknowledgement from the R-WAP for your submission ofthe Application.

Don'ts for Shareholders applying through R-WAP*:*

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

4. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBAprocess

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process maymake 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 notbeing 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. 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 jointholders, in the same order and as per specimen recorded with his/her bank, must reach the officeof the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Rungta Irrigation Limited;
- 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);
- Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- Except for Applications on behalf of the Central or State Government, the residents ofSikkim 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
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of additional Equity Shares applied for, if any (applicable only if entire RightsEntitlements have been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 11/- per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- 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;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent tothe Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in thesame sequence and order as they appear in the records of the SCSB); and
- 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 notauthorized or to any person to whom it is unlawful to make such offer, sale or invitation exceptunder circumstances that will result in compliance with any applicable laws or regulations. Wesatisfy, and each account for which we are acting satisfies, all suitability standards forShareholders in investments of the type subscribed for herein imposed by the jurisdiction of ourresidence.

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 Regulations, or otherwise pursuant to an exemption from, or in a transactionnot 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 RightsEntitlement 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 Regulations.

I/ We acknowledge that the Company, Our affiliates and others will rely uponthe truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to RightsEntitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plainpaper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could resultin an application being rejected, with our Company 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 and the Registrar shall not be responsible if the Applicationsare not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

5. Making of an Application by Eligible Equity Shareholders holding Equity Shares inphysical 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 EquityShares 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 oftheir 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 andwho have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat accountalong 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, suchEligible 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 withoutrenouncing them in whole or in part. Where the number of additional Equity Shares applied forexceeds 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 Renouncees who are not Eligible Equity Shareholderscannot apply for additional Equity Shares.

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

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
2. 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 anyof the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, 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.
3. 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 anApplication by Eligible Equity Shareholders on Plain Paper under ASBA process"* mentioned above.
4. 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 intheir 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.
5. 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), ourCompany or the Registrar.
6. 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, irrespectiveof 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 PANdetails 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.
7. 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 thebasis 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 bankaccount of the respective Shareholders and/or refund. The Demographic Details givenby the Shareholders in the Application Form would not be used for any other purposesby the Registrar. Hence, Shareholders are advised to update their Demographic Detailsas 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 ourCompany 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 shall be liable to compensate the Shareholders for any losses caused dueto 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.

8. By signing the Application Forms, Shareholders would be deemed to have authorisedthe Depositories to provide, upon request, to the Registrar, the required DemographicDetails as available on its records.
9. For physical Applications through ASBA at Designated Branches of SCSB, signaturesshould 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.
10. Shareholders should provide correct DP ID and Client ID/ Folio number (for EligibleEquity 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/orRegistrar, failing which such Application is liable to be rejected. Shareholders will besolely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
11. 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.
12. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressedto 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 incase of Eligible Equity Shareholders holding Equity Shares in physical form.
13. Shareholders are required to ensure that the number of Equity Shares applied for bythem do not exceed the prescribed limits under the applicable law.
14. Do not apply if you are ineligible to participate in this Issue under the securities lawsapplicable to your jurisdiction.
15. Do not submit the GIR number instead of the PAN as the application is liable to berejected on this ground.
16. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in makingany physical Application.
17. Do not pay the Application Money in cash, by money order, pay order or postal order.
18. Do not submit multiple Applications.
19. 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 ofthe Company or any FDI investment for which an approval from the government wastaken 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 orderto make any investment in the Issue. Our Company will not beresponsible for any allotments made by relying on such approvals.
20. An Applicant being an OCB is required not to be under the adverse notice of RBI andin 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.

6. Grounds for Technical Rejection

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

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
3. Sending an Application to our Company, Registrar, EscrowCollection 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.
4. Insufficient funds are available in the ASBA Account with the SCSB for blocking theApplication Money.

5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
6. Account holder not signing the Application or declaration mentioned therein.
7. Submission of more than one Application Form for Rights Entitlements available in aparticular demat account.
8. Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
9. Submitting the GIR number instead of the PAN (except for Applications on behalf ofthe Central or State Government, the residents of Sikkim and the officials appointed by the courts).
10. 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.
11. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
12. Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
13. 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.
14. If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or hasprovided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
15. 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 ApplicationForm, 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 suchperson 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 Sharesin respect of any such Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.
17. 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).
18. 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.

7. 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 betreated 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, suchApplications 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.

8. 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 theEquity 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 totalinvestment 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 Shareholderswill 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 termsof Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise dealin 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 heldby 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 aCategory 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, theinvestment 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.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 registrationissued 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 [●], 2022, *i.e.*, Issue Closing Date. Our Board or any committee thereof mayextend the said date for such period as it may determine from time to time, subject to the IssuePeriod 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 Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at libertyto 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 StandardTime) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place ofApplication 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 duringIssue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to www.beetalfinancial.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 acknowledgmentto 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 unblockedin 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 caseof 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.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITYSHAREHOLDERS

a) 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 noApplication 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 theIssue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, evenif 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 madein 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 ourCompany, 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 accountsof the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in theunclaimed 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 theRecord 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 [●] 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.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

1. Renouncees

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

2. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the RightsEntitlements 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 *viceversa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelinesissued 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 bysale of such Rights Entitlements, using the secondary market platform of the Stock Exchangesor through an off-market transfer.

3. 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 besettled 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 theIssue Closing Date.

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.

i. 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 IssueCirculars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] 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 ofRights 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 ISIN [●] 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-tradebasis. 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.

ii. Off Market Renunciation

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

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the 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 ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless alreadyhaving 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.

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 agrees 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 Draft 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 dividendand 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 RBIas 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 Refundof 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 Applicationthrough the Registrar's Web-based Application Platform ("R-WAP") process*" mentioned above.

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 1.25:1 (1.25 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.

- **Ranking**

  The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer ,the 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, theprovisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI ListingRegulations, and the guidelines, notifications and regulations issued by SEBI, the Governmentof 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 thisIssue 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 approvalfrom 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 approvalsfrom 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 deactivatedin 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 regimewould affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, ourCompany 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 theexpiry of the fourth day, be jointly and severally liable to repay that money with interest at ratesprescribed 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 theIssue shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to receive surplus on liquidation;
3. The right to receive offers for rights shares and be allotted bonus shares, if announced;
4. The right to free transferability of Equity Shares;
5. 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 Draft Letter of Offer; and
6. 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.

GENERAL TERMS OF THE ISSUE

1) Market Lot

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

2) 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.

3) 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 DPsof 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.

4) Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lotshall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

5) 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 andother 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 Draft 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 EligibleEquity 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 effortbasis, 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 Draft Letter of Offer, the 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.

6) 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 issuedby 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 shallbe, 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 Sharesand issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-residentor 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 our Company will not be responsible for any such allotments made by relying onsuch approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sentonly 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 jurisdictionswhere the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for theEquity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident IndianApplicants. Our Board may at its absolute discretion, agree to such terms and conditions as maybe 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.

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 (Withdrawalof 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 suchshareholders on the record date. For details, see "allotment advice or refund/ unblocking of ASBA accounts" as mentioned above.

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATIONOF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ONOR 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 Renouncees 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 arerequired 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.*, [●]

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the DesignatedStock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- 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 Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

- 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 willnot be a preferential allotment.

- 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 basishaving 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. TheAllotment of such Equity Shares will be at the sole discretion of our Board in consultation withthe Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- 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 partof this Issue and will not be a preferential allotment.

- Allotment to any other person, subject to applicable laws, that our Board may deem fit, providedthere 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:

(a) 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;
(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
(c) 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.

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 tothe 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 havenot provided their e-mail address, then the Allotment advice, refund intimations (including in respect ofApplications made through R-WAP facility)

or demat credit of securities and/or letters of regret will bedispatched, 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 NREor 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 numberof 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 makingrefunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

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.

- **Unblocking amounts blocked using ASBA facility.**

- **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 beenmade available. This would be subject to availability of complete bank account detailsincluding MICR code wherever applicable from the depository. The payment of refundthrough 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.

- **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.

- **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 therelevant bank(s) for the same would be borne by our Company.

- **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option toreceive 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.

- For all other Shareholders, the refund orders will be dispatched through speed post orregistered post subject to applicable laws. Such refunds will be made by cheques, payorders or demand s drawn in favour of the sole/first Shareholders and payable at par.

- Credit of refunds to Shareholders in any other electronic manner, permissible by SEBIfrom 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 accountfrom 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.

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 15days 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 TOOUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIORTO 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 Sharesin 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:

- Open a beneficiary account with any depository participant (care should be taken thatthe 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 beneficiaryaccount 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 openseparate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- 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.
- 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.
- 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.
- 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 physicaldispatch, 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 depositoryaccount.

- 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.
- Renouncees 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.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions ofSection 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) doesnot 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.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- All monies received out of this Issue shall be transferred to a separate bank account;
- 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
- 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.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- The complaints received in respect of this Issue shall be attended to by our Company expeditiously andsatisfactorily.

- 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.

- 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.

- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 15 days of the Issue Closing Date, giving details of the banks where refunds shallbe credited along with amount and expected date of electronic credit of refund.

- 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.

- Adequate arrangements shall be made to collect all ASBA Applications and record all Applications madeunder the R-WAP process.

- Our Company shall comply with such disclosure and accounting norms specified by SEBI from time totime.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- Please read this Draft Letter of Offer carefully before taking any action. The instructions contained inthe Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integralpart of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

- All enquiries in connection with this Draft Letter of Offer, the 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:

  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

- In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process andresolution 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.

- The Shareholders can visit following links for the below-mentioned purposes:
  - Frequently asked questions and online/ electronic dedicated Shareholders helpdesk forguidance on the Application process and resolution of difficulties faced by the Shareholders: www.beetalfinancial.com
  - Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.beetalfinancial.com
  - Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.beetalfinancial.com
  - 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 7 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 IndustrialPolicy, 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 Governmentproposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 willbe 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 notificationunder 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. Our Company will notbe 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 orderto 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 toobtain 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 is not liable for any amendments or modification or changes in applicable laws or regulations, which may occurafter 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- OTHER INFORMATION

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 Draft 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 Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

a. Registrar Agreement dated [●] entered into amongst our Company and theRegistrar to the Issue;
b. Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

a. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
b. Annual Reports of the Company for the past Five years.
c. Certificate of incorporation dated April 04, 1986.
d. Fresh Certificate of incorporation dated April, 04, 1994 issued post change of name from Jindal Irrigation Private Limited to Rungta Irrigation Limited.
e. Fresh Certificate of incorporation dated April 04, 1994 issued post conversion of our Company to a public company.
f. Resolution of the Board of Directors dated May 23, 2022 in relation to the Issue.
g. Consent of our Promoters, Directors, KMP's, Auditors, 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.
h. Statement of Tax Benefits dated June 08, 2022 from the Chartered Accountant included in this Draft Letter of Offer.
i. In-principle listing approvals each dated [●] from the BSE.

Any of the contracts or documents mentioned in this Draft 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

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DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Signed by the Directors of our Company				
S.N.	**Name**	**Category**	**Designation**	**Signature**
1.	Mahabir Prasad Rungta	Executive	Managing Director	Sd/-
2.	Shruti Rungta	Executive	Director	Sd/-
3.	Tarun Kumar Megotia	Executive	Director	Sd/-
4.	Abdul Kalam	Non-Executive	Independent Director	Sd/-
5.	Vivek Agrawal	Non-Executive	Independent Director	Sd/-
6.	Devesh Poddar	Non-Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
7.	Prateek Sharma	Whole-Time	Company Secretary	Sd/-
8.	Swati Garg	Whole-Time	Chief Financial Officer	Sd/-

Place: Delhi

Date: 08.06.2022

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