

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

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

FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated September 01, 2021 (“**Letter of Offer**”), which is available on the websites of the Lead Manager, Registrar, our Company and the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited (“**NSE**”) (together, the “**Stock Exchanges**”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

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

Our Company has made available on the Registrar’s website www.linkintime.co.in, the Abridged Letter of Offer, along with the Rights Entitlement Letter and Application Form, to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Lead Manager, the Company, the Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges and the Registrar, i.e., www.saffronadvisor.com, www.bannarimills.com, www.sebi.gov.in, www.bseindia.com, www.nseindia.com and www.linkintime.co.in, respectively, and at the Registrar’s web based application platform accessible at www.linkintime.co.in (“**R-WAP**”). The Application Form is available on the website of our Lead Manager, Company, BSE, and on the R-WAP. In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “*Procedure for Application through the ASBA Process*” and “*Procedure for Application through R-WAP*” on pages 236 and 237 respectively.



BANNARI AMMAN SPINNING MILLS LIMITED

Registered Office: 252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India;

Tel: +91 422 243 5555; **Fax:** N.A.

E-mail: shares@bannarimills.com; **Website:** www.bannarimills.com;

Contact Person: Nachimuthugounder Krishnaraj, Company Secretary and Compliance Officer;

Corporate Identification Number: L17111TZ1989PLC002476

PROMOTERS OF OUR COMPANY: SANGAMPALAYAM VEDANAYAGAM ARUMUGAM, MURUGAN ENTERPRISE PRIVATE LIMITED AND SAKTHI MURUGAN TRANSPORTS PRIVATE LIMITED

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 3,33,33,333 EQUITY SHARES OF FACE VALUE ₹ 05 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 30/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 25/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 10,000 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 21 RIGHTS EQUITY SHARE(S) FOR EVERY 20 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SEPTEMBER 09, 2021 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 6.00 TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 226 OF THIS LETTER OF OFFER.

*Assuming full subscription.

The existing Equity Shares are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (together, the “**Stock Exchanges**”). Our Company has received ‘in-principle’ approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letters dated June 18, 2021 and May 04, 2021, respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to a rights issue, you may refer to the section titled “*Terms of the Issue*” on page 226 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of our Company, SEBI, BSE, NSE, Lead Manager, Registrar and on R-WAP, as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

INDICATIVE TIMETABLE

Issue Opening Date	Monday, September 20, 2021	Date of Allotment/ Initiation of Refunds (on or about)	Monday, October 11, 2021
Last Date for On Market Renunciation[#]	Tuesday, September 28, 2021	Date of credit of Equity Shares to demat account of Allottees (on or about)	Wednesday, October 13, 2021
Issue Closing Date[*]	Monday, October 04, 2021	Date of listing / Commencement of trading of Equity Shares on the Stock Exchange (on or about)	Thursday, October 14, 2021
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	Monday, October 11, 2021		

[#] Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee 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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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NOTICE TO INVESTORS

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

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S")), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in the Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Share and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Letter of Offer / Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" on page 25 of this Letter of Offer.

Name of the Lead Manager and contact details	SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Center Point, 6 th floor, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India. Telephone: +91 22 4082 0914/0915; Facsimile: +91 22 4082 0999 E-mail: rights.issue@saffronadvisor.com ; Website: www.saffronadvisor.com Investor grievance: investorgrievance@saffronadvisor.com Contact Person: Amit Wagle / Gaurav Khandelwal SEBI Registration Number: INM 000011211 Validity of Registration: Permanent
Name of the Registrar to the Issue and contact details	LINK INTIME INDIA PRIVATE LIMITED C – 101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Telephone: +91 22 4918 6200; Facsimile: +91 22 4918 6195 E-mail: bannari.rights@linkintime.co.in ; Website: www.linkintime.co.in Contact person: Sumeet Deshpande Investor grievance: bannari.rights@linkintime.co.in CIN: U67190MH1999PTC118368 SEBI Registration No: INR000004058 Validity of Registration: Permanent
Name of the Statutory Auditors	M/s. Deloitte Haskins & Sells LLP, Chartered Accountants
Self-Certified Syndicate Banks ("SCSBs")	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

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Banker to the Issue	ICICI Bank Limited Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 Telephone: 022- 66818911/23/24; Fax: 022- 22611138 E-mail: kmr.saurabh@icicibank.com ; Website: www.icicibank.com Contact Person: Saurabh Kumar SEBI Registration Number: INBI00000004 CIN: L65190GJ1994PLC021012
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SUMMARY OF BUSINESS

Our Company was incorporated in the year 1989 and has emerged as a full vertically integrated textile company engaged in the business of manufacturing of cotton yarn, knitted and woven fabric, processing of fabrics, home textile products, garments and wind power generation. Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity of our manufacturing units, we are also engaged in carrying out various textile processes for third parties on a job work basis.

For further details, please refer to the chapter titled “*Our Business*” at page 96 of this Letter of Offer.

OBJECTS OF THE ISSUE

Requirement of Funds:

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

(₹ in lakhs)

Particulars	Amount*
Part repayment or prepayment of Inter-Corporate Deposits availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company	3,900.00
Part repayment/ Pre-payment of certain secured loans availed from lenders	5,900.00
Issue related expenses	200.00
Gross proceeds from the Issue	10,000.00

*Assuming full subscription and Allotment of the Rights Equity Shares.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from the members of the Promoter Group, out of which we may repay/prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/repay any particular lender in priority to the other:

No.	Name of the Entity	Outstanding ICDs as on March 31, 2021 (in ₹. lakhs)	* Purpose of availing ICDs	Interest rate (%) p.a.	Proposed repayment or prepayment from Net Proceeds (₹ in lakhs)
1.	Murugan Enterprise Private Limited	200	Partial repayment of loan and augmentation of working capital requirements	9.00%	200
2.	Murugan Enterprise Private Limited	3,200	Partial repayment of loan and augmentation of working capital requirements	10.00%	3,200
3.	Murugan Enterprise Private Limited	500	Partial repayment of loan and augmentation of working capital requirements	10.00%	500
	Total	3,900			3,900

*Certified by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, vide their certificate dated August 23, 2021. Further, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants have certified that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant loan agreements.

Our Company proposes to utilise an aggregate amount of ₹ 5,900 lakhs from the Net Proceeds towards full or partial re-payment or prepayment of the secured loans availed by our Company. The selection and extent of loans proposed to be repaid from our Company's loans mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders.

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Name of the lender	Purpose/ type of loan*	Amount sanctioned (₹ in Lacs)	Amount outstanding as on March 31, 2021 (₹ in Lacs)	Rate of interest (per annum)%	Pre-payment penalty
Indian Bank	Working Capital	5,200	4,664.39	One year MCLR + Spread 3.15% + 1%	2.3% of the outstanding or drawing limit whichever is higher
Karur Vysya Bank Limited	Working Capital	1,250	988.43	One year MCLR + Spread 2.50%	3 % of the limits
DCB Bank Limited	Working Capital	2,500	2,480.24	6 months MCLR + Spread 0.41%	-
Bank of Maharashtra	Working Capital	1,000	152.38	One year MCLR + Spread 0.25% + 2.75%	As per extant guidelines of the Bank
Bank of Bahrain & Kuwait B.S.C	Working Capital	2,200	1,944.78	WDCL – at rates agreed upon mutually from time to time; OCC - One year MCLR + Spread 2.50%	-
Indian Overseas Bank	Working Capital	15,000	6,627.04	OCC- One year MCLR + Spread 0.2% + 2.75% PCFC- at the rate stipulated by the Bank on the due date of disbursement	1.00 % of the prepaid amount
Union Bank of India	Working Capital	7,850	4,070.67	One year MCLR + Spread 2.90%	-
Punjab National Bank	Working Capital	8,400	4,656.64	One year MCLR + Spread 4.50%	2% of the total sanctioned limit
ICICI Bank Limited	Working Capital	6,000	3,087.66	OCC - 6 month MCLR+ Spread 4.20%; Short term loan - 6 months MCLR + Spread 3% PCFC- at the rate stipulated by the Bank on the due date of disbursement	0.25% of the Principal amount
Total		49,400	28,672.73		

* Our Statutory auditors have provided a report of factual findings dated August 23, 2021 in connection with agreed-upon procedures related to the statement of loan availed.

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.

Deployment of funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2021-22.

Monitoring Agency

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

For more details, please refer to the chapter titled “Objects of the Issue” on page 72 of the Letter of Offer.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON DATE OF THE LETTER OF OFFER

The statement of the shareholding pattern of our Company as on June 30, 2021, as included in the Letter of Offer is as follows:

Category of Shareholder	Pre-Issue number of Equity Shares held	Total as a % of Total Voting right
(A) Promoter & Promoter Group	1,75,02,500	55.55
(B) Public	1,40,06,038	44.45
Grand Total	3,15,08,538	100

For more details, please refer to the chapter titled “Capital Structure” on page 66 of the Letter of Offer.

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BOARD OF DIRECTORS			
S. No.	Name	Designation	Other Directorships
1.	Sangampalayam Vedanayagam Arumugam	Chairman and Managing Director	<ul style="list-style-type: none"> • Bannari Amman Trendz Private Limited; • Bannari Amman Retails Private Limited; • Young Brand Apparel Private Limited; • Bannari Amman Logistics Private Limited; • Bannari Amman Properties Private Limited; • Accel Apparels Private Limited; • Abirami Amman Designs Private Limited; • Anamallais Motors Private Limited; • Senthil Infrastructure Private Limited; • Anamallais Automobiles Private Limited; • Sakthi Murugan Transports Private Limited; • State Industries Promotion Corporation of Tamilnadu Limited; • Murugan Enterprise Private Limited; • Bannari Amman Flour Mill Private Limited; and • Anamallais Agencies Private Limited.
2.	Sennimalai Gounder Palaniswami	Independent Director	<ul style="list-style-type: none"> • Shiva Mills Limited
3.	Kodumudi Narayanaswami Venkata Ramani	Independent Director	<ul style="list-style-type: none"> • Shiva Mills Limited; • LGB Forge Limited; • Shiva Texyarn Limited; • Sri Kannapiran Mills Limited; • K.P.R. Mill Limited; and • K G Denim Limited.
4.	Dr. Kugalur Ramasamy Thillainathan	Independent Director	<ul style="list-style-type: none"> • K K S Hospital Private Limited
5.	Kulandai Samy Gounder Sadhasivam	Independent Director	<ul style="list-style-type: none"> • Bannari Amman Trendz Private Limited; • Bannari Amman Retails Private Limited; • Young Brand Apparel Private Limited; • Accel Apparels Private Limited; • Abirami Amman Designs Private Limited; and • MSS Realtors Private Limited
6.	Shanmugavelayutham Sihamani	Independent Director	Nil

For more details, see the chapter titled “Our Management” on page 112 of the Letter of Offer.

NEITHER OUR COMPANY NOR OUR PROMOTER OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

FINANCIAL INFORMATION

A summary of the restated financial information of our Company as at and for the Financial Years ended on March 31, 2021, 2020 and 2019, is set out below:

S. No.	Particulars	March 31, 2021	March 31, 2020	March 31, 2019
1.	Total Income from operations (net)	1,01,853.73	1,13,384.56	1,17,448.94
2.	Net Profit/(Loss) before Tax and extraordinary items	(1,227.78)	1,005.71	2,524.92
3.	Profit/(Loss) after Tax and extraordinary items	(1,087.00)	620.08	2,371.45
4.	Equity Share Capital	1,575.43	1,575.43	1,575.43
5.	Reserves and Surplus (excluding revaluation reserves)	28,600.18	29,687.82	29,646.91
6.	Net Worth	30,175.61	31,263.25	31,222.34
7.	Basic earnings per share	(3.65)	1.97	7.53
8.	Diluted earnings per share	(3.65)	1.97	7.53
9.	Net asset value per equity share (Shares of Rs.5 each)	95.77	99.22	99.09
10.	Return on Net Worth (RONW)	(3.81%)	1.98%	7.60%

Note: Particulars mentioned above are indicative and may be suitably modified. Ratios cannot be annualised except RONW.

INTERNAL RISK FACTORS

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

1. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.

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2. Our Company is significantly reliant on the revenues earned from our spinning division. Any downturn in our ability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.
3. We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.
4. A part of the Issue proceeds will be utilized by our Company for part- repayment or prepayment of inter-corporate deposits availed from one of our Corporate Promoter, Murugan Enterprise Private Limited.
5. We have incurred losses in the recent past. Continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which could affect our reputation, business, financial condition and results of operation.

For further details, see the section "Risk Factors" on page 25 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

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

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	01	69.61
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	34	522.70
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

**To the extent quantifiable*

iii) Litigations involving our Joint Venture and Subsidiary, Young Brand Apparel Private Limited

Cases filed against our Company

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	01	75.08
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

**To the extent quantifiable*

For further details in relation to the pending litigation involving our Company, see section "Outstanding Litigation and Material Developments" on page 207 of the Letter of Offer.

TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 (Collectively hereafter referred to as "SEBI Rights Issue Circulars") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "ASBA Circulars"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, however such Investors can apply through R-WAP, if they have provided an Indian address to our Company or to the Registrar or they are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "Procedure for Application through the ASBA Process" and "Procedure for Application through R-WAP" on pages 236 and 237 respectively.

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Registrar's Web-based Application Platform (R-WAP): In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTOR NUMBER 60- THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS" ON PAGE 49.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 240. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "LIPL Bannari Amman Rights Escrow Demat Account") opened by our Company, for the Resident 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 Resident 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) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. September 29, 2021, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

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

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243 .

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 21 Rights Equity Share(s) for every 20 Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 21 Rights Equity Share(s) for every 20 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders not in the multiple of 1, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

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PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE. THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

(a) **On Market Renunciation**

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

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE186H20014 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., September 20, 2021 to September 28, 2021 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE186H20014 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

(b) **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE186H20014, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account. The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

INVESTORS TO KINDLY NOTE THAT AFTER PURCHASING THE RIGHTS ENTITLEMENTS THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, AN APPLICATION HAS TO BE MADE FOR SUBSCRIBING TO THE RIGHTS EQUITY SHARES. IF NO SUCH APPLICATION IS MADE BY THE RENOUNCEE ON OR BEFORE ISSUE CLOSING DATE, THEN SUCH RIGHTS ENTITLEMENTS WILL GET LAPSED AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE AND NO RIGHTS EQUITY SHARES FOR SUCH LAPSED RIGHTS ENTITLEMENTS WILL BE CREDITED. FOR PROCEDURE OF APPLICATION BY SHAREHOLDERS WHO HAVE PURCHASED THE RIGHT ENTITLEMENT THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, PLEASE REFER TO THE HEADING TITLED “PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS” AND “PROCEDURE FOR APPLICATION THROUGH R-WAP” ON PAGES 236 OF THIS LETTER OF OFFER AND PAGE 11 OF THIS ABRIDGED LETTER OF OFFER.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 226. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “Basis of Allotment” on page 251.

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

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using R-WAP. In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. September 29, 2021, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode or R-WAP. Such resident Eligible Equity Shareholders must check the procedure for Application in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 243 .

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

Our Promoters and Promoter Group have, vide their letters (the “Subscription Letters”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group,

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for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

Availability of offer document of the immediately preceding public issue or rights issue for inspection

Our Company has not undertaken any further issuance of Equity Shares post its initial public offering. Further, the prospectus filed in respect of the initial public offering of equity shares of our Company is not available and therefore cannot be uploaded on its website for inspection in compliance with SEBI ICDR Regulations.

ANY OTHER IMPORTANT INFORMATION AS PER THE COMPANY

PROCEDURE FOR APPLICATION

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for resident Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, however such Investors can apply through R-WAP, if they have provided an Indian address to our Company or to the Registrar or they are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, 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.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.banmarimills.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on RWAP platform available at www.linkintime.co.in and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

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

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN could lead to rejection of the Application. For details see "*Grounds for Technical Rejection*" on page 249. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*" on page 240.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

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

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note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India. Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, the Lead Manager or the R-WAP to provide requisite details. 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 APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP

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

- Name of our Issuer, being Bannari Amman Spinning Mills 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);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 30/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR 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;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

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

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICES/ REFUND ORDERS" ON PAGE 252.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 25.

All enquiries in connection with this Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP 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 "*Bannari Amman Spinning Mills Limited – Rights Issue*" on the envelope to the Registrar at the following address:

Link Intime India Private Limited

C – 101, 1stFloor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India

Telephone: +91 22 4918 6200; **Facsimile:** +91 22 4918 6195; **E-mail:** bannari.rights@linkintime.co.in; **Website:** www.linkintime.co.in

Contact person: Sumeet Deshpande

Investor grievance: bannari.rights@linkintime.co.in

CIN: U67190MH1999PTC118368

SEBI Registration No: INR000004058

Validity of Registration: Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.linkintime.co.in. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 (22) 4918 6200.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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DECLARATION BY OUR COMPANY

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 Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Sangampalayam Vedanayagam Arumugam
(Chairman and Managing Director)

Sd/-
Kodumudi Narayanaswami Venkata Ramani
(Independent Director)

Sd/-
Kulandai Samy Gounder Sadhasivam
(Independent Director)

Sd/-
Sennimalai Gounder Palaniswami
(Independent Director)

Sd/-
Dr. Kugalur Ramasamy Thillainathan
(Independent Director)

Sd/-
Shanmugavelayutham Sihamani
(Independent Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-
Srinivasan Seshadri

Place: Coimbatore, Tamil Nadu
Date: September 01, 2021