

RIGHTS ENTITLEMENT LETTER

THIS LETTER CONTAINS 4 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES



KALLAM TEXTILES LIMITED

Registered & Corporate Office: N.H 5, Chowdavaram, Guntur, Andhra Pradesh – 522 019

Contact Person: Mr. Golagani Ramesh Kumar, Company Secretary and Compliance Officer

Telephone: +91 863 2344016, **Email:** corp@ksml.in, **Website:** www.ksml.in

Corporate Identity Number: L18100AP1992PLC013860

Date: May 27, 2022

DP ID- Client ID/Folio Number:

Application Number:

Sole/First Holder Name:

Add 1:

Add 2:

Add 3:

Add 4:

PIN:

Joint Holder 1:

Joint Holder 2:

Joint Holder 3:

Dear Shareholder,

ISSUE OF 99,91,187 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (“EQUITY SHARES”) OF KALLAM TEXTILES LIMITED (“KALLAM” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 10/- (INCLUDING SHARE PREMIUM OF ₹ 8/-) PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT OF ₹ 999.12 LAKHS* TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 7 EQUITY SHARE FOR EVERY 30 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. JUNE 03, 2022 (“THE ISSUE”). THE ISSUE PRICE IS 5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 123 OF THE LETTER OF OFFER.

**Assuming full subscription*

Ref: Letter of Offer and Abridged Letter of Offer dated May 27, 2022, issued by the Company in respect of the Rights Issue

This is to inform that our Company is proposing a Rights Issue of Equity Shares as mentioned in the captioned subject in the ratio of 7 (Seven) Rights Equity Share for every 30 (Thirty) Equity Shares held by the existing Equity Shareholders on the Record Date, that is on Friday, June 03, 2022.

With reference to above, please find below for your information the details of Equity Shares held by you as on the Record Date i.e., **Friday, June 03, 2022**, along with your Rights Entitlements:

Folio Number/ DP or Client ID	No. of Equity Shares held by you on Record Date - being Friday, June 03, 2022	No. of Rights Entitlements

Abridged Letter of Offer & Application Form are enclosed.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e., www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required.

You are requested to take note of the Issue Schedule as provided

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION	ISSUE CLOSES ON[#]
JUNE 23, 2022	JULY 04, 2022	JULY 07, 2022

[#]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 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Fractional Entitlements: The Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 7 (Seven) Equity Share for every 30 (Thirty) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 30 Equity Shares or not in the multiple of 30, 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, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any. For further details, see *“Terms of the Issue”* beginning on page 123 of the Letter of Offer.

Facilities for Application in this Issue: In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see *“Making of an Application through the ASBA Process”* on page 125 of the Letter of Offer.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders: Pursuant to provisions of the SEBI ICDR Regulations in terms of the Letter of Offer, the Rights Entitlements of the Eligible Equity Shareholders have been credited in their respective demat account and shall be admitted for trading on the Stock Exchange under the ISIN - INE629F20017 subject to requisite approvals. For details of credit of the Rights Entitlements, see *“CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS”* on page 134 of the Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only.

The Physical Shareholders are advised to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date i.e., July 04, 2022, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar in manner as mentioned above, shall lapse and they 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. To update respective email addresses/ mobile numbers in the records maintained by our Company, Eligible Equity Shareholders should visit the website of the Registrar to the Issue at www.bigshareonline.com The Physical Shareholders are requested to ensure that their demat account, details of which is provided to our Company or Registrar, is active. For further details, please refer to the heading *“Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form”* in the chapter titled *“Terms of the Issue”* at page 128 of the Letter of Offer

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY (THROUGH ASBA ONLY). FOR DETAILS, SEE “MAKING OF AN APPLICATION THROUGH THE ASBA PROCESS” ON PAGE 125 OF THE LETTER OF OFFER.

Trading of the Rights Entitlements: In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on BSE under ISIN INE629F20017. Prior to the Issue Opening Date, our Company will obtain the approval from BSE for trading of Rights Entitlements.

Renunciation of Rights Entitlements: Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. For more details, see *“Procedure for Renunciation of Rights Entitlements”* on page 136 of the Letter of Offer.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

Issue Schedule

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

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Wednesday, June 22, 2022
ISSUE OPENING DATE	Thursday, June 23, 2022
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Monday, July 04, 2022
ISSUE CLOSING DATE	Thursday, July 07, 2022
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Thursday, July 14, 2022
DATE OF ALLOTMENT (ON OR ABOUT)	Friday, July 15, 2022
DATE OF CREDIT (ON OR ABOUT)	Thursday, July 21, 2022
DATE OF LISTING (ON OR ABOUT)	Friday, July 22, 2022

#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.

ATTENTION FOR SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

The Eligible Equity Shareholders holding Equity shares in Physical Form shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, registered 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, i.e., July 04, 2022.

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights 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.

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

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form on the websites of the Company at www.ksml.in, the Registrar at www.bigshareonline.com, the Lead Manager at www.smccapitals.com and on the BSE at <https://www.bseindia.com>.

ELIGIBLE EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM SHALL BE REQUIRED TO PROVIDE THEIR DEMAT ACCOUNT DETAILS TO REGISTRAR TO THE ISSUE / COMPANY FOR CREDIT OF RIGHTS ENTITLEMENT NOT LATER THAN TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SUCH THAT CREDIT OF RIGHTS ENTITLEMENT IN THEIR DEMAT ACCOUNT TAKES PLACE AT LEAST ONE DAY BEFORE THE ISSUE CLOSING DATE. THIS IS TO ENSURE THAT APPLICATIONS MADE BY THE SHAREHOLDERS ARE NOT REJECTED DUE TO NON-AVAILABILITY OF RIGHTS ENTITLEMENT IN THEIR DEMAT ACCOUNT, AS ON ISSUE CLOSING DATE.

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

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com

Updation of e-mail address/ mobile number in the records maintained by the Registrar or our Company: rightsissue@bigshareonline.com


Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: rightsissue@bigshareonline.com

Updation of Indian address can be done by way of an email to rightsissue@bigshareonline.com

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (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, EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES ARE BEING OFFERED AND SOLD ONLY TO PERSONS OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT ("REGULATIONS"). ACCORDINGLY, THE RIGHTS ENTITLEMENT AND THE RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND THE LETTER OF OFFER AND ANY OTHER ISSUE MATERIALS MAY NOT BE DISTRIBUTED, IN WHOLE OR IN PART, IN OR INTO IN (I) THE UNITED STATES OR (II) OR ANY JURISDICTION OTHER THAN INDIA EXCEPT IN ACCORDANCE WITH LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION. RECEIPT OF THE LETTER OF OFFER OR ANY OTHER ISSUE MATERIALS (INCLUDING BY WAY OF ELECTRONIC MEANS) WILL NOT CONSTITUTE AN OFFER, INVITATION TO OR SOLICITATION BY ANYONE (I) IN THE UNITED STATES OR (II) IN ANY JURISDICTION OR IN ANY

CIRCUMSTANCES IN WHICH SUCH AN OFFER, INVITATION OR SOLICITATION IS UNLAWFUL OR NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER, INVITATION OR SOLICITATION.

In case of any queries, you may contact the Company (details on Page 1) or the Lead Manager or Registrar as per the details mentioned herein:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
<p>SMC Capitals Limited 11/6B, Ground Floor, Shanti Chamber, Pusa Road, New Delhi – 110005 Tel: +91-11-30111000/40753333 Fax: +91-11-25754365 Email: rights.kallam@smccapitals.com Website: www.smccapitals.com Investor Grievance: investor-grievance@smccapitals.com Contact Person: Sri Krishna Tapariya SEBI Regn No: INM000011427</p>	<p>Bigshare Services Private Limited Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra Tel.: +91 22 6263 8200/22 Fax: +91 22 6263 8299 E-mail: rightsissue@bigshareonline.com Investor Grievance: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Vijay Surana SEBI Regn. No.: INR000001385</p>

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

For **KALLAM TEXTILES LIMITED**

Sd/-

Golagani Ramesh Kumar

Company Secretary and Compliance Officer