

Mysore Stoneware Pipes and Potteries Limited

Rights Issue of Equity Shares

Letter of Offer

Terms of the Issue

Pursuant to the special resolution passed by the shareholders of the Company at the Annual General Meeting held on August 2, 2014, the Board of Directors of our Company, vide resolution passed at the meeting of the Board of Directors held on April 7, 2015, has authorized this offer of the Rights Equity Shares.

Summary of the Issue

Rights Equity Shares being offered by our Company	6,33,600 Rights Equity Shares of Rs.10/- each for cash at par
Rights Entitlement for the Rights Equity Shares	6 Rights Equity Shares for every 1 Equity Share held on the Record Date i.e. April 10, 2015
Record Date	April 10, 2015
Issue Price per Rights Equity Share	Rs.10/- for cash at par
Equity Shares outstanding prior to the Issue	1,05,600 Equity Shares
Issue Size	Rs.63,36,000/-
Equity Shares outstanding after the Issue (Assuming full subscription for and Allotment of the Rights Entitlement)	7,39,200 Equity Shares
Payment terms	On Application of the Rights Equity Shares, Rs.10/- per Rights Equity Share which constitutes 100 % of the Issue Price
Issue Closing Date	May 04, 2015
Registrar to the Issue	BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore-560 027, India Ph. No.080-41575234/35 e-mail ID : manager_rta@bfsf.co.in / rta_admin@bfsf.co.in website:www.bfsf.co.in

The Rights Equity Shares proposed to be issued on rights basis, are subject to the terms and conditions contained in this Letter of Offer (LOF), the Combined Application Form (CAF), the provisions of the Memorandum of Association (MOA) and Articles of Association (AOA) of our Company, the provisions of the Companies Act, 2013 and the Rules made thereunder and the Foreign Exchange Management Act, 1999.

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the Board of Directors of our Company on April 7, 2015 pursuant to Section 62 (1) (a) and all other applicable provisions of the Companies Act, 2013.

Objects of the Issue

The Objects of this Rights Issue of Equity Shares are:

- (a) To part finance strengthening the financial position of the Company by augmenting the funds for working capital requirements of the Company;
- (b) To part finance repayment/pre-payment, in full or in part, of certain loans availed by our Company;
- (c) To part finance the General Corporate Purposes.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders, whose names appear (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and (ii) on the register of members of our Company in respect of the Equity Shares held in physical form, at the close of business hours on the Record Date, i.e. April 10, 2015. The basis of allotment for the Rights Equity Shares shall be finalized by the Board of Directors of the company as per the Terms of Issue.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., **April 10, 2015**, you are entitled to the number of the Equity Shares as set out in Part A of the CAF.

PRINCIPAL TERMS AND CONDITIONS OF THE RIGHTS EQUITY SHARES***Face Value***

Each Rights Equity Share will have the face value of Rs.10/-.

Issue Price

Each Rights Equity Share shall be offered at an Issue Price of Rs.10/- for cash at Par.

Issue Closing Date

The Rights Issue Closing Date shall be May 4, 2015.

Rights Entitlement Ratio

The Eligible Equity Shareholders shall be entitled to apply for 6 Rights Equity Share(s) for every 1 Equity Share held on the Record Date.

Terms of payment

Full amount of Rs.10/- per Rights Equity Share will be payable at the time of making application.

Where an applicant has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess application money shall be refunded. The excess application monies would be refunded within 60 days from the closure of the Issue.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank paripassu, in all respects including dividend, with our existing Equity Shares.

Mode of Payment of Dividend

We shall pay dividend to our Equity Shareholders as per applicable statutory and regulatory requirements, including inter alia the provisions of the Companies Act, 2013 and our Company's Articles of Association.

Rights of the Eligible Equity Shareholder

The Rights Equity Shares allotted in this Issue shall rank paripassu with the existing Equity Shares in all respects including dividend subject to applicable laws. The Eligible Equity Shareholders of our Company shall have the following rights:

- * Right to receive dividend, if declared;
- * Right to attend general meetings and exercise voting powers, unless prohibited by law;
- * Right to vote/ poll in person or by proxy;
- * Right to receive offers for Rights Equity Shares and be allotted bonus shares, if announced;
- * Right to receive surplus on liquidation;
- * Right to free transferability of the Equity Shares; and
- * Such other rights as may be available to a shareholder under the Companies Act 2013, and the Memorandum and Articles of Association of the Company.

Renounees

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

GENERAL TERMS OF THE ISSUE

Nomination

In terms of Heading 72 of the Companies Act, 2013 nomination facility is available for the Rights Equity Shares. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of the Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Rights Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of the said holder(s), during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed.

When the Rights Equity Shares are held by two or more persons, the nominee shall become entitled to receive the Rights Equity Shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company. An Eligible Equity Shareholder can make the nomination by filling in the relevant portion of the CAF. In accordance with Articles of Association of our Company and as per applicable laws, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- * to register himself or herself as the holder of the Equity Shares; or
- * to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for the Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of the Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective

Depository Participant ("DP") of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform its respective DP.

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 joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered as valid for allotment of the Rights Equity Shares.

In case such Eligible Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Eligible Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Offer to Non-Resident Equity Shareholders/Applicants

As per Regulation 6 of Notification No. FEMA 20/2000-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue the Rights Equity Shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of application moneys, allotment of the Rights Equity Shares and issue of letter of allotment.

If an NR or NRI Applicant has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of the Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their repatriation as are applicable to the original shares against which the Rights Equity Shares are issued on rights basis.

PROCEDURE FOR APPLICATION

How to Apply

The CAF along with the Letter of Offer shall be despatched by the Registrar to the Issue/Company or its Agents through registered post or speed post. In case the original CAFs are not received by the Applicant or is misplaced by the Applicant, the Applicant may request the Registrar to the Issue/Company for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company/Registrar to the Issue, the application is liable to be rejected.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of the Rights Equity Shares by the Renounees; and

Part D: Form for request for the Split Application Forms (SAF).

Please note that the Company shall not be responsible for any delay in the receipt of the CAF/duplicate CAF which is attributable to postal delays or if the CAF/duplicate CAF are misplaced in transit.

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of the Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in the Issue, then he can:

A. Apply for his Rights Entitlement in full;

B. Apply for his Rights Entitlement in part (without renouncing the other part);

C. Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;

D. Renounce his entire Rights Entitlement to one or more renounees; or

E. Apply for his Rights Entitlement in part and renounce the other part.

Options A and B: Acceptance of the Rights Entitlement

The Eligible Equity Shareholders may accept their Rights Entitlement and apply for the Rights Equity Shares offered, either (i) in full or (ii) in part, without renouncing the other part, by completing Part A of the CAF.

Option C : Acceptance of the Rights Entitlement and Application for Additional Rights Equity Shares.

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered, and the allotment shall be made at the sole discretion of the Board in the manner prescribed under the heading "**Basis of Allotment.**"

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

Where the number of additional Rights Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis, as per the Basis of Allotment decided by the Board of Directors.

Options D and E: Renunciation of the Rights Entitlement

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and/or register the Rights Equity Shares in favour of the following Renounees:

- * More than three persons, including joint holders;
- * Partnership firms or their nominees, (partners of the partnership firm are eligible for allotment of the Rights Equity Shares if they have applied for the same in their individual capacity as partners of such firm);
- * Minors other than who have a valid beneficiary account, as per demographic details provided by Depositories;
- * Hindu Undivided Families (HUFs) (karta of a HUF are eligible for allotment of the Rights Equity Shares if they have applied for the same on behalf of or for the benefit of the HUF); or
- * Any trusts or societies (unless registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or any other law applicable to trusts and societies and subject further to the trusts or society being authorised under its constitution or bye-laws to hold equity shares of a company, as the case may be);
- * Any person situated or subject to jurisdiction where the offering in terms of this Letter of Offer could be illegal or requires compliance with securities laws.

'Part A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Registrar to the Issue/ Company with the form of renunciation ('Part B' of the CAF) duly filled in shall be conclusive evidence for our Company of the Renounees applying for the Rights Equity Shares in 'Part C' of the CAF to receive allotment of such Rights Equity Shares.

'Part A' of the CAF must not be used by the Renounee(s) as this will render the application invalid. The Renounee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board and in the manner prescribed under the heading "Basis of Allotment". If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for

Allotment, the Allotment would be made on a fair and equitable basis as approved by the Board of Directors of the Company and mentioned in the heading "Basis of Allotment".

Renunciation by and/or in favor of Non Residents

Any renunciation: (i) from resident Indian equity shareholder(s) to non-resident(s); (ii) from non-resident equity shareholder(s) to resident Indian(s); or (iii) from a non-resident equity shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renounee are subject to the renounee(s)/renounee(s) obtaining the necessary regulatory approvals as may be applicable.

In terms of Regulation 6 of Notification No. FEMA 20 /2000-RB dated May 3, 2000, as amended, only existing non-resident shareholders shall be entitled to subscribe for additional equity shares over and above the equity shares offered to them on a rights basis by the Company in the Issue. Non-residents other than existing shareholders shall not be allotted additional shares in the Issue.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity shareholder in favour of one Renounee.

If you wish to renounce the offer indicated in 'Part A', in whole, please complete 'Part B' of the CAF. In case of joint holding, all joint holders must sign 'Part B' of the CAF. The person in whose favour renunciation has been made should complete and sign 'Part C' of the CAF. In case of joint Renounees, all joint Renounees must sign part C of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of forms.

Please indicate your requirement of the Split Application Forms (SAFs), in the space provided for this purpose in 'Part D' of the CAF and return the entire CAF to the Registrar to the Issue/Company so as to reach them latest by the close of business hours on the last date of receiving requests for the SAFs, i.e. April 25, 2015 of this Letter of Offer. On receipt of the required number of the SAFs from the Registrar to the Issue/Company, the procedure as mentioned in paragraph above shall have to be followed. In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Registrar to the Issue/Company, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign 'Part C' of the CAF and submit the entire CAF to the Registrar to the Issue/Company on or before the Issue Closing Date along with the application money in full. A Renounee cannot further renounce.

Instructions for Filling the CAF

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, by using the CAF as detailed herein:

Option Available Action Required

1. Accept whole or part of your Rights Entitlement without renouncing the balance. Fill in and sign Part A (All joint holders must sign)
2. Accept your Rights Entitlement in full and apply for additional Rights Equity Shares. Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (All joint holders must sign)
3. Renounce your Rights Entitlement in full to one person (Joint Renounees are considered as one). Fill in and sign Part B (all joint holders must sign) indicating the number of Rights Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (All joint Renounees must sign)
4. Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s)

OR

Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renouncee

Fill in and sign Part D (all joint holders must sign) requesting for the SAFs. Send the CAF to the Registrar to the Issue/Company so as to reach on or before the last date for receiving requests for the SAFs. Splitting will be permitted only once.

On receipt of the SAF take action as indicated below.

For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of the Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.

Applicants must provide information in the CAF as to their savings bank/current account number and the name of the bank with whom such account is held, to enable the Registrar to the Issue/Company to print the said details in the refund orders/cheques after the names of the payee(s) in case of the Equity Shares held in the physical form. Failure to comply with this may lead to rejection of the application. Bank account details furnished by the Depositories will be printed on the refund orders/cheques in case of the Equity Shares held in electronic form.

Please note that:

- * 'Part A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.
- * Request for the SAFs or SAF should be made for a minimum of one Rights Share or in multiple thereof.
- * A request by the Applicant for the SAF should reach the Registrar to the Issue/Company on or before **April 25, 2015**.
- * Only the Eligible Equity Shareholders to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for the SAFs. Forms once split cannot be split further.
- * The SAFs will be sent to the applicant(s) by post at the Applicant's risk.
- * While applying for or renouncing their Rights Entitlement, joint holders must sign in the same order and as per the specimen signatures registered with the Registrar to the Issue/Company or the Depositories.
- * In the case of a renunciation, the submission of the CAF to the Registrar to the Issue/Company together with Part B of the CAF duly completed shall be conclusive evidence of the right of the person applying for the Rights Equity Shares to receive allotment of such Rights Equity Shares.
- * Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of the Equity Shares Allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

Applicants must write their CAF Number at the back of the cheque/demand draft/Electronic Transfer Document

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue/Company will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue/Company. Please note that the request for duplicate CAF should reach the Registrar to the Issue/Company before **April 21, 2015**. Please

note that those who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the applicant violates any of these requirements, he / she shall face the risk of rejection of both the CAFs. Registrar to the Issue/Company will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft /cheque / pay order payable at Bangalore which should be drawn in favor of the "**MSPPL-Rights Issue**"/**Electronic Transfer Document (Bank Account No. _____, Bank Name, Bank Branch, IFSC _____)** in case of resident shareholders/applicants and shareholders/applicants applying on nonrepatriable basis or "**MSPPL-Rights Issue**" in case of non-resident shareholders applying on nonrepatriable basis and the Eligible Equity Shareholders should send the same by registered post / speed post directly to the Registrar to the Issue/Company. The envelope should be superscribed "**MSPPL-Rights Issue**" in case of resident shareholders/applicants or shareholders/applicants applying on non repatriable basis or "**MSPPL-Rights Issue**" in case of non-resident shareholders/applicants applying on nonrepatriable basis.

The application on plain paper, duly signed by the Applicants including joint holders, in the same order as per specimen recorded with the Registrar to the Issue/Company, must reach the Registered office of the Registrar to the Issue/Company before the Issue Closing Date and should contain the following particulars:

- * Name of the Company, being Mysore Stoneware Pipes and Potteries Limited;
- * Name and address of the Eligible Equity Shareholder including joint holders;
- * Registered Folio Number/DP and Client ID no.;
- * Number of the Equity Shares held as on Record Date;
- * Number of the Rights Equity Shares entitled to;
- * Number of the Rights Equity Shares applied for;
- * Share certificate numbers and distinctive numbers, if the Equity Shares on the Record Date are held in physical form;
- * Number of additional Rights Equity Shares applied for, if any;
- * Allotment option preferred for the Rights Equity Shares - Physical or Demat (Rights Equity Shares will be allotted in physical form only if the Equity Shares held on the Record Date i.e. **April 10, 2015** are in the physical form)
- * Total number of the Rights Equity Shares applied for;
- * The total amount paid at the rate of Rs.10/- per Rights Equity Share;
- * Particulars of demand draft/cheque/pay order/Electronic Transfer;
- * In case of the Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order/cheque (In case of the Equity Shares allotted in demat mode, the bank account details will be obtained from the information available with the depositories);
- * PAN of the Applicant and for each Applicant in case of joint names should be provided if the application is for the total value of Rs.50,000/- or more of the Rights Equity Shares pursuant to the Issue; subject to submitting sufficient documentary evidence in support of their claim for exemption;
- * Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of Registrar to the Issue/Company or the Depositories;
- * In case of Non Resident Shareholders, NRE/ FCNR/ NRO A/c No. Name and Address of the Bank and Branch;
- * If payment is made by a draft purchased from NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/ FCNR/ NRO Account;
- * Additionally, Non Resident applicants shall include the representation in writing that:

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised 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.

Please note that the Eligible Equity Shareholders who are making an application otherwise than on a CAF, (i.e., on plain paper), shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the application money received shall be refunded. However, the Registrar to the Issue/Company and/or any Director of the Registrar to the Issue/Company will, notwithstanding anything to the contrary contained herein, not be liable to pay any interest whatsoever on the Application Money so refunded.

The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with the Registrar to the Issue/Company not having any liability to such Eligible Equity Shareholders.

General instructions for Applicants

(a) Please read the instructions printed on the CAF carefully.

(b) Application should be made on the printed CAF, provided by the Registrar to the Issue/ Company except as mentioned under the head application on plain paper and should be completed in all respects. For further details see heading titled "Terms of the Issue - Application on Plain Paper". The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's /husband's name must be filled in block letters.

(c) The CAF together with cheque/demand draft/Electronic Transfer Document should be submitted to the Registrar to the Issue/Company by REGISTERED POST/SPEED POST. If any portion of the CAF is/are detached or separated, such application is liable to be rejected. All CAFs along with the Demand Drafts will need to reach the Registrar to the Issue/Company on or before the Issue Closing Date to be considered valid for allotment.

(d) Applicants are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue/ Company to print the said details in the refund orders/cheques, if any, after the names of the payees for the Equity Shares held in the physical form. Application not containing such details is liable to be rejected. For the Eligible Equity Shareholders holding the Equity Shares in dematerialized form, such bank details will be drawn from the demographic details of the Eligible Equity Shareholder in the records of the Depository.

(e) All payments should be made by cheque/demand draft/Electronic Transfer (RTGS/NEFT). In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Registrar to the Issue/Company.

(f) In case of an application under power of attorney and / or by a body corporate or by a society, a certified true copy of the relevant power of attorney and / or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar to the Issue/ Company giving reference of the serial number of the CAF. In case the above referred documents are already registered with the Registrar to the Issue/Company, the same need not be furnished again.

(g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Registrar to the Issue/ Company. Further, in case of joint Applicants who are the Renouncees, the number of Applicants should not exceed three. 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. Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of the Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest and export of share certificates. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from NRs/ NRIs in the jurisdiction where the offer or sale of the Rights Entitlements and the Rights Equity Shares may be restricted by applicable securities laws.

(h) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue/ Company prior to the date of allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number. Please note that any intimation for change of address of the Eligible Equity Shareholders, after the date of allotment, should be sent to the Registrar to the Issue/ Company, in the case of the Equity Shares held in physical form and to the respective depository participant, in case of the Equity Shares held in dematerialized form.

(i) **Payment by cash** : The Registrar to the Issue/ Company will not accept any payments against any applications, if made in cash. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(j) The SAFs cannot be re-split.

(k) Only the person or persons to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain the SAFs.

(l) Applicants must write their CAF number at the back of the cheque /demand draft/Copy of Electronic Transfer (RTGS/NEFT) Acknowledgement Slip.

(m) Only one mode of payment per application should be used. The payment must be by cheque /demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at Bangalore/Electronic Transfer (RTGS/NEFT).

(n) A separate cheque / draft/Electronic Payment Document must accompany each CAF. Outstation cheques / demand drafts or postdated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar to the Issue/ Company will not accept payment against application if made in cash.

(o) No receipt will be issued for application money received.

(p) The distribution of this Letter of Offer and issue of the Rights Equity Shares and Rights

Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons residing in such restricted jurisdiction are instructed to disregard this Letter of Offer and not to attempt to subscribe for the Rights Equity Shares.

Do's for Investors:

(a) Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;

(b) Read all the instructions carefully and ensure that the cheque/ draft/Electronic Payment option is selected in part A of the CAF and necessary details are filled in;

(c) In the event you hold the Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;

(d) Ensure that your Indian address is available to the Registrar to the Issue/Company and in case you hold the Equity Shares in physical form or the depository participant, in case you hold the Equity Shares in dematerialized form;

(e) Ensure that the value of the cheque / draft/Electronic Transfer submitted by you is equal to the (number of the Equity Shares applied for) X (Issue Price of the Equity Shares, as the case may be) before submission of the CAF;

(f) Ensure that you receive an acknowledgement from the Registrar to the Issue/Company.

(g) Ensure that you mention your PAN allotted under the I.T. Act with the CAF. Please ensure that the PAN for all joint holders have been mentioned on the CAF, in the absence of which the application is liable to be rejected;

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF 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 CAF;

(i) Ensure that the demographic details with your Depository Participant(s) are updated, true and correct, in all respects.

Don'ts for Investors:

(a) Do not apply if you are in the restricted jurisdiction and are not eligible to participate in the Issue in accordance with the securities laws applicable to your jurisdiction;

(b) Do not apply on duplicate CAF after you have submitted a CAF to the Registrar to the Issue/Company;

(c) Do not pay the amount payable on application in cash, by money order or by postal order;

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

Issuance of Intimation Letters:

Upon approval of the Basis of Allotment by the Board of Directors of the Company, the Registrar to the Issue/Company shall send the Allotment Letters to Investors who have been allotted the Rights Equity Shares in the Issue, along with the number of the Rights Equity Shares allotted.

Last date of Application

The last date for submission of the duly filled in the CAF is **May 4, 2015**.

If the CAF together with the amount payable is not received by the Registrar to the Issue/Company on or before the close of banking hours on the aforesaid last date viz., **May 4, 2015**, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered.

Allotments and Refunds

The Registrar to the Issue/Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within 60 days from the Issue Closing Date.

In case of those Applicants who have opted to receive their Right Entitlement in dematerialized form by using electronic credit under the depository system, an advice regarding the credit of the Rights Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 60 days of the Issue Closing Date. In case of those Applicants who have opted to receive their Rights Entitlement in physical form, the Registrar to the Issue/Company will issue the corresponding share certificates under Section 56 of the Companies Act, 2013 or other applicable provisions if any. All refund orders will be dispatched by registered post/ speed post to the sole/ first Applicant's registered address. Such cheques or pay orders will be marked "Account Payee only" and would be drawn in the name of the sole/ first Applicant.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. The Registrar to the Issue/Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Refund payment to Non-Resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Bangalore, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and the Registrar to the Issue/Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident allottees will be subject to RBI approval.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts will be credited within 60 days from the Issue Closing Date.

GROUND FOR TECHNICAL REJECTIONS

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- (a) Amount paid does not tally with the amount payable for;
- (b) Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar to the Issue/ Company (in the case of physical holdings);
- (c) Submission of plain paper Applications to any person other than the Registrar to the Issue/Company
- (d) Age of first Applicant not given while completing Part C of the CAFs;
- (e) PAN not given for application for value of Rs.50,000/- or more;
- (f) GIR number provided instead of the PAN;
- (g) In case of application under power of attorney relevant documents are not submitted;
- (h) In case of application by limited companies, corporate, trust, relevant documents are not submitted;
- (i) If the signature of the existing Eligible Equity Shareholder does not match with the one given on the CAF and for the Renouncee(s) if the signature does not match with the records available with their depositories;
- (j) Application forms are not submitted by the Applicants within the time prescribed as per the CAF and this Letter of Offer;
- (k) Applications not duly signed by the sole/joint Applicants. All Applications need to be signed by all joint Applicants. Absence of signatures of any of the joint Applicants or mismatch in signatures of any of the joint Applicants may result in the CAF being rejected;
- (l) In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- (m) Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and applications on plain paper where a registered address in India has not been provided;
- (n) Applications by the Eligible Equity Shareholders who are joint holders, where Part A of the CAF is not signed by all such joint holders;

- (o) Applications by the Renounees of the Eligible Equity Shareholders who are joint holders, where Part B of the CAF is not signed by all such joint holders;
- (p) Applications where the Registrar to the Issue/Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- (q) Multiple Applications including cases where an Investor submits the CAFs along with an application on plain paper;
- (r) Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Disposal of application and application money

Acknowledgment will be issued for the application monies received by our Company by stamping and returning the acknowledgment slip at the bottom of each CAF. The 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 received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on the Equity Shares allotted, will be refunded to the Applicant within a period of 60 days from the Issue Closing Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer and the Articles of Association of our Company the Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renounee(s) who has/ have applied for the Rights Equity Shares renounced in their favour, in full or in part.
- (b) Allotment to the Eligible Equity Shareholders, who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for additional Rights Equity Shares, the allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, in proportion to the shareholdings of such applicants as on the Record Date, provided there is an under-subscribed/ unsubscribed portion available after making full allotment in (a).

The allotment of such Rights Equity Shares will be at the sole discretion of the Board of Directors as a part of the Rights Issue and not preferential allotment.

Grievances/Complaints Redressal

All grievances/Complaints relating to this Rights Issue may be addressed to the Registrar to the Issue/Company at its Registered Office giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Investor, number and type of shares applied for, CAF serial number, amount paid on application along with a photocopy of the acknowledgements slip. In case of renunciation, the same details of the Renounee should be furnished.

Investors may contact the Registrar to Issue in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/Share Certificates/ Demat Credit/Refund Orders etc. at: BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore-560 027, India Ph. No.080-41575234/35 e-mail ID: manager_rta@bfsi.co.in/rta_admin@bfsi.co.in website: www.bfsi.co.in

Undertakings by our Company

Our Company undertakes that:

1. the complaints received in respect of the Issue shall be attended to by the Registrar to the Issue/Company expeditiously and satisfactorily;
2. where refund is made a suitable communication shall be sent to the applicant/s under the Issue within 60 days of the Issue Closing Date.

3. at any given time, there shall be only one denomination for the Equity Shares.

4. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms to the best of its knowledge and belief, there are no other facts or the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable inquiries to ascertain such facts.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013. Accordingly,

"Any person who:

- (a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for its securities; or**
- (b) 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**
- (c) 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 punishable with imprisonment which may extend to 'Ten years' and shall also be liable to fine which may extend to 'three times' the amount involved in the fraud.**

All enquiries in connection with this Letter of Offer or accompanying CAF and requests for the SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Applicant as mentioned on the CAF and superscribed "**MSPPL - Rights Issue**" in case of resident shareholders/applicants or shareholders/applicants applying on non repatriable basis or "**MSPPL- Rights Issue**" in case of non-resident shareholders/applicants applying on repatriable basis) to the Registrar of Issue/Company at the following address:

Address of the Registrar to the Issue: BgSE Financials Limited Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore-560 027	Address of the Company: Mysore Stoneware Pipes and Potteries Limited Regd off : GF-2, Sapthagiri, No 30,10th Cross, R M V Extension, Sadashivanagar, Bangalore - 560080
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DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder as the case may be. We further certify that, all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by the Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name	Signature
1. Mr.Nanjundaswamy K H	- Chairman
2. Mr.Trivikram R P	- Managing Director
3. Mr.Karthik R K	- Whole-Time Director
4. Mr. Rajiv H R	- Whole-Time Director
5. Mr.Vivekanand C	- Director
6. Mr.Shivananjaiah H N	- Director
7. Mrs.SudhaTrivikram	- Director
8. Mr. Sanjay Jayatsen	- Director

Date: April 13, 2015

Place: Bangalore

