

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (**DLoF**) is being sent to you as Public Shareholder(s) (as defined below) of **KOTHARI INDUSTRIAL CORPORATION LIMITED (“Target Company”)**. If you require any clarifications about the action to be taken, you may consult your stockbroker or Investment consultant or Manager/ Registrar to the Offer. In case you have recently sold your equity shares in Target Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement to the member of the stock exchange through whom the said sale was effected.

MR. J. RAFIQ AHMED (‘ACQUIRER’)

Residing: 25/8, 2nd Street, Perambur High Road, Perambur Barracks, Chennai-600012, Tamil Nadu, India;
Tel. No.: ++91- 98844 66666; **E-mail id:** rafiq@kotharis.in , rafiq_psrn@yahoo.co.in

To acquire up to **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) Equity Shares of face value of ₹ 5/- (Rupees Five Only) each (‘Offer Shares’) each at a price of ₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only) each payable in cash representing 26% (Twenty Six percent) of the Expanded Voting Equity Share Capital (as defined below) of the Target Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 2011, As Amended (“SEBI (SAST) REGULATIONS”) from the Public Shareholders of**

KOTHARI INDUSTRIAL CORPORATION LIMITED (‘TARGET COMPANY’)

Registered Office: 114, KOTHARI BLDS, NUNGAMBAKKAM HIGH RD NUNGAMBAKKAM, CHENNAI, TAMIL NADU, INDIA, 600034



Tel. No. +91 044-28334565, **E-mail:** enquiries@kotharis.in , companysecretary@kotharis.in

Website: www.kicl.in

CIN: L74110TN1970PLC005865

1. This Offer is being made by the Acquirer pursuant to and in compliance with Regulations 3(1) & 4, and other applicable regulations of the SEBI (SAST) Regulations.
2. This offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this draft letter of offer (“Draft Letter of Offer” or “DLOF”), to the best of the knowledge of the Acquirer, there are no statutory or other approval(s) required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction (as defined below), save and except the Required Statutory Approval (as defined below) and as set out in paragraph 7.4 (Statutory and Other Approvals) of this DLOF. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer
5. If there is any upward revision in the Offer Price/Size at any time prior to the commencement of the last one working day before the commencement of the tendering period in terms of the SEBI SAST Regulations the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement had appeared. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
6. There is no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date
7. Copies of the Public Announcement (“PA”) and the Detailed Public Statement (“DPS”) are available and copies of the DLOF and the LOF (including Form of Acceptance) (as defined below) are expected to be available on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

All future correspondence, if any, should be addressed to the Manager to the Offer / Registrar to the Offer at the following addresses:

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|--|--|
|  <p>KUNVARJI FINSTOCK PRIVATE LIMITED Registered Office: Block B, First Floor, Siddhi Vinayak Towers, Off S.G. Highway Road, Mouje Makarba, Ahmedabad-380051 Corporate Office: 1218-20, 12th Floor, The Summit Business Bay, Opp. PVR Cinema, Near Western Express Highway – Metro Station, Andheri (E), Mumbai- 400093 CIN: U65910GJ1986PTC008979 Contact Person: Mr. Jiten Patel / Ms. Sonia Kahlon Tel No.: +91 22 69850000 Email: mb@kunvarji.com Investor Grievance Id: MB.investorgrievances@kunvarji.com SEBI Reg. No. : MB/INM000012564</p> |  <p>M/s Integrated Registry Management Services Private Limited Address: 2nd Floor, “Kences Towers”, No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, India. CIN: U74900TN2015PTC101466 Contact Person: Mr. S Yuvaraj. Tel No.: +91- 044 - 28140801 to 28140803 E-mail Address: yuvraj@integratedindia.in SEBI Reg. No. : INR000000544</p> |
| OFFER OPENS ON: SEPTEMBER 20, 2024 FRIDAY | OFFER CLOSSES ON: OCTOBER 04, 2024 FRIDAY |

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES

The tentative schedule of major activities under the offer is set out below:

| Activity | Date* | Day |
|---|--------------------|-----------|
| Issue of Public Announcement | July 29,2024 | Monday |
| Publication of Detailed Public Statement in newspapers | August 05,2024 | Monday |
| Last Date for Filing of draft letter of Offer with SEBI | August 12,2024 | Monday |
| Last date for Public Announcement of a competing Offer | August 19,2024 | Monday |
| Last date for receipt of comments from SEBI on the draft letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager) | September 02,2024 | Monday |
| Identified Date** | September 05,2024 | Thursday |
| Last date for dispatch of the letter of Offer to the Public Shareholders | September 12,2024 | Thursday |
| Last date of publication by which a committee of independent directors of the Target Company is required to give its recommendation to the Public Shareholders of the Target Company for this Offer | September 18,2024 | Wednesday |
| Last date for upward revision of the Offer Price and/or the Offer Size | September 19, 2024 | Thursday |
| Date of publication of Offer opening public announcement, in the newspapers in which this DPS has been published | September 19, 2024 | Thursday |
| Date of Commencement of Tendering Period (“Offer opening Date”) | September 20, 2024 | Friday |
| Date of Closure of Tendering Period (“Offer Closing Date”) | October 04, 2024 | Friday |
| Last date of communicating of rejection/acceptance and payment of consideration for accepted tenders/return of unaccepted shares | October 18,2024 | Friday |
| Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published | October 25,2024 | Friday |
| Last date for filing the post Offer report with SEBI | October 25,2024 | Friday |

**There has been no competing offer as of the date of this Draft Letter of Offer.*

***Identified Date is only for the purpose of determining the Equity Shareholders of the Target Company as of such date to whom the Letter of Offer would be sent by Email / Post. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the Acquirer, promoter and promoter group of the Target Company) are eligible to participate in this Offer any time before the closure of this Offer.*

****The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly.*

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction (as defined below), this Open Offer and are not intended to be a complete analysis of all risks in relation to this Open Offer or in association with the Acquirer or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Open Offer, but are merely indicative. Public Shareholders are advised to consult their stock brokers, tax advisers and / or investment advisers/consultants, for analyzing all the risks with respect to their participation in this Open Offer.

For capitalized terms used herein, please refer to the section on Definitions set out below.

A. RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION AND PROPOSED OFFER:

- 1) In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event that, for reasons outside the reasonable control of the Acquirers, (a) any statutory or other approvals specified in this paragraph 7.4 of this DLOF including the Required Statutory Approval or those which become applicable prior to completion of the Open Offer are finally refused and/or (b)
 - **In-principle approval from the stock exchange:** In-principle approval from BSE Limited for listing of Equity Shares proposed to be issued to the proposed allottee (Acquirer and others) by the Target Company is required to be obtained by the Target Company in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulations and guidelines.
 - **Approval of the Shareholders of the Target Company:** The approval of the Shareholders of the Target Company for the proposed issuance of Equity Shares to the proposed allottee (Acquirer and others).

In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 2) This Offer is a triggered / mandatory offer in terms of Regulations 3(1) & 4 of SEBI (SAST) Regulations, 2011.
- 3) The Open Offer is made under the SEBI (SAST) Regulations to acquire up to **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** Equity Shares representing 26% of the Expanded Voting Equity Share Capital, from the Public Shareholders of the Target Company. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholders shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (One) only, subject to acquisition of a maximum of **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** Equity Shares. Accordingly, there is no assurance that all Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.
- 4) The information pertaining to the Target Company contained in the PA or DPS or this Draft Letter of Offer or any other advertisement / publications made in connection with the Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources. The Acquirer does not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

- 5) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This Draft Letter of Offer does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
- 6) In the event that either (a) the regulatory approvals are not received in a timely manner or (b) **In-principle approval from the stock exchange:** In-principle approval from BSE Limited for listing of Equity Shares proposed to be issued to the proposed allottee (Acquirer and others) by the Target Company is required to be obtained by the Target Company in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulations and guidelines.
Approval of the Shareholders of the Target Company: The approval of the Shareholders of the Target Company for the proposed issuance of Equity Shares to the proposed allottee (Acquirer and others)(c) there is any litigation to stay the Offer; or (d) SEBI instructs the Acquirer not to proceed with the Offer, then the offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders of Target Company, whose Equity Shares have been accepted in the Offer as well as the return of Equity Shares not accepted by Acquirer, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- 7) The Equity Shares tendered in this Offer may be held in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer formalities and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such a period, there may be fluctuations in the market price of the Equity Shares that may adversely impact on the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- 8) Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLoF.
- 9) The Acquirer makes no assurance with respect to any decision by the Public Shareholders on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- 10) The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer / Draft Letter of Offer (DLoF) / Detailed Public Statement (DPS) / Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by Acquirer) would be doing so at his / her / its own risk.
- 11) Public Shareholders should note that those who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw the Equity Shares tendered even in the event of a delay in the acceptance of the Equity Shares under the Offer and / or the dispatch of consideration.

B. RISK RELATING TO THE ACQUIRER:

- 1) The Acquirer or the Manager to the offer makes no assurance with respect to the financial performance of the Target Company and expressly disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.
- 2) The Acquirer, nor the Manager to the Offer make any assurance with respect to the continuation of past trends in the financial performance or future financial performance of the Target Company.
- 3) The Acquirer, nor the Manager to the Offer can provide any assurance with respect to the market price of the Equity Shares, before, during or after the Offer and each of them expressly disclaim any

responsibility or obligation of any kind (except as required by applicable laws) with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

- 4) The Acquirer makes no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in the Target Company.
- 5) For the purpose of disclosures in the DLOF, all information relating to the Target Company has been obtained from publicly available sources or from the Target Company. All information relating to the Current Promoter and Promoter Group has been obtained from the Promoter and Promoter Group. The accuracy of such details of the Target Company and the Current Promoter and Promoter Group have not been independently verified by the Acquirer and the Manager.
- 6) Under Regulation 38 of the SEBI LODR, 2015, read with Rule 19A of SCRR, the Target Company is required to maintain at least 25% public shareholding (as determined in accordance with the SCRR) on a continuous basis. Pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below such minimum public shareholding requirement. In such an event, the Acquirer and/ or the existing promoter and promoter group of the Target Company will ensure compliance with the minimum public shareholding requirements in such manner and timelines as prescribed under applicable law, which may have an adverse effect on the price of the Equity Shares.

The risk factors set forth above, pertains to this Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in the Offer, but are only indicative in nature. Public Shareholders of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

- 1) In this Draft Letter of Offer, all references to “Rs.” or “₹” are references to the Indian Rupee(s), the official currency of India. Throughout this Draft Letter of Offer, all figures have been expressed in “million”, “thousand”, “lakh” or “crore” unless otherwise specifically stated.
- 2) In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and / or regrouping.

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1. DEFINITIONS

| Sr. | Abbreviations | Particulars |
|-----|--|---|
| 1. | Acquirer | Mr.J Rafiq Ahmed ('Acquirer') |
| 2. | Board of Directors | The Board of Directors of KOTHARI INDUSTRIAL CORPORATION LIMITED |
| 3. | Book Value Per Equity Share | Net worth / Number of outstanding Equity Shares |
| 4. | BSE | BSE Limited/ Bombay Stock Exchange |
| 5. | Buying Broker | M/s. Ratnakar Securities Private Limited |
| 6. | CSE | The Calcutta Stock Exchange/CSE Limited |
| 7. | CDSL | Central Depository Services (India) Limited |
| 8. | CIN | Corporate Identity Number |
| 9. | Companies Act | The Companies Act, 2013 as amended from time to time. |
| 10. | Depositories | CDSL and NSDL |
| 11. | Detailed Public Statement or DPS | Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer on August 05, 2024 , in the newspapers mentioned in paragraph 3.2.3 of this DLOF |
| 12. | Designated Stock Exchange | BSE Limited/ Bombay Stock Exchange |
| 13. | DIN | Director Identification Number |
| 14. | DP | Depository Participant |
| 15. | Draft Letter of Offer/ DLoF | Draft Letter of Offer dated August 12, 2024 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations, 2011 |
| 16. | EPS | Earnings per share = Profit after Tax / Number of Equity Shares issued |
| 17. | Equity Shares/ Shares | Fully paid-up Equity Shares of the Target Company, having face value of ₹ 5/- each, unless specified otherwise |
| 18. | Escrow Agreement | Escrow Agreement dated July 29, 2024 between Acquirer, Manager to the Offer and the Escrow bank |
| 19. | Escrow Bank | Kotak Mahindra Bank Limited dealing through its branch offices at Nariman Point, Mumbai, India |
| 20. | Existing Voting Share Capital | The present fully paid-up equity share capital and voting capital i.e. 1,24,83,885 Equity Shares. |
| 21. | Expanded Voting Equity Share Capital | The total voting and equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) working day from the closure of the tendering period for the Offer. This includes the existing 1,24,83,885 (One Crore Twenty-Four Lakh Eighty Three Thousand Eight Hundred and Eighty Five Only) fully paid-up Equity Shares of the Target Company, and the proposed Preferential Issue of 3,00,00,000 (Three Crore) Equity Shares of the Target Company, aggregating to 4,24,83,885 (Four Crore Twenty Four Lakh Eighty Three Thousand Eight Hundred and Eighty Five Only) Equity Shares of the Target Company post-Preferential allotment. |
| 22. | FEMA | The Foreign Exchange Management Act, 1999, as amended or modified from time to time |
| 23. | Identified Date | Thursday, September 05, 2024 i.e. the date falling on the 10th working day prior to the commencement of the Tendering Period for the purpose of identifying eligible shareholders to whom the Letter of Offer will be sent. |
| 24. | Issued, Subscribed and Paid-up Share Capital | ₹ 6,24,19,425 (Rupees Six Crore Twenty Four Lakh Nineteen Thousand Four Hundred and Twenty Five Only) comprising 1,24,83,885/- (One Crore Twenty-Four Lakh Eighty Three |

| Sr. | Abbreviations | Particulars |
|-----|---|---|
| | | Thousand Eight Hundred and Eighty Five Only) Equity Shares of ₹ 5/-each of the Target Company |
| 25. | ISIN | International Securities Identification Number |
| 26. | Letter of Offer / LOF | Letter of Offer dated [●] which shall be dispatched to the Public Shareholders of the Target Company. |
| 27. | Manager to the Offer or Merchant Banker | Kunvarji Finstock Private Limited |
| 28. | N.A. | Not Available/Not Applicable |
| 29. | Net Worth | The aggregate value of the paid-up share capital and all reserves created out of the profits,(securities premium account and debit or credit balance of profit and loss account,) after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation; |
| 30. | NRI | Non Resident Indian |
| 31. | NSDL | National Securities Depository Limited |
| 32. | Offer or The Offer or Open Offer | Open Offer for acquisition of up to 1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) Equity Shares of face value of ₹ 5/- (Rupees Five Only) each being 26% of the Expanded voting Share Capital of Target Company at a price of ₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only) per Equity Share, payable in cash. |
| 33. | Offer Period | The period between the date on which the Public Announcement was executed (i.e. on July 29, 2024) and the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made |
| 34. | Offer Price | ₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only) per Equity Share, payable in cash |
| 35. | Offer Size | 1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) Equity Shares of face value of ₹ 5/- (each representing Expanded Voting Equity Share Capital of the Target Company |
| 36. | PAT | Profit After Tax |
| 37. | Persons Deemed To Be Acting In Concert” or PAC /PAC’s | No person is acting in concert with the Acquirer for the purposes of this Open Offer. |
| 38. | Persons eligible to participate in the offer | All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Tendering Period, except the Acquirer, and Promoter and Promoter Group. |
| 39. | Proposed Preferential Issue | The proposed preferential issue approve by Board of Directors of Target Company in their Board Meeting held on July 29,2024 subject to the approval of shareholders (members) and other regulatory approvals of 3,00,00,000 (Three Crore) equity shares to Acquirer and others of face value of ₹ 5/- each at an issue price of ₹ 14.33/- per equity share. |
| 40. | Public Announcement or PA | Public Announcement dated July 29, 2024 , submitted to The Bombay Stock Exchange Limited and SEBI on July 29, 2024 , and sent to the Target Company |
| 41. | Public Shareholders | All the Equity Shareholders of the Target Company other than (i) the Acquirer, (ii) the promoter and members of the promoter group of the Target Company and (iii) persons deemed to be |

| Sr. | Abbreviations | Particulars |
|-----|-------------------------------------|--|
| | | acting in concert with parties at (i) and (ii) above, in compliance with the provisions of Regulation 7(6) of the SEBI (SAST) Regulations, 2011 |
| 42. | RBI | The Reserve Bank of India |
| 43. | Registrar or Registrar to the Offer | Integrated Registry Management Services Private Limited |
| 44. | Return on Net Worth | (Profit After Tax / Net Worth) *100 |
| 45. | SCRR, 1957 | Securities Contracts (Regulation) Rules, 1957 as amended from time to time |
| 46. | SEBI | Securities and Exchange Board of India |
| 47. | SEBI (LODR) Regulations, 2015 | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto |
| 48. | SEBI (SAST) Regulations, 2011 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. |
| 49. | SEBI Act | Securities and Exchange Board of India Act, 1992 as amended from time to time |
| 50. | STT | Securities Transaction Tax |
| 51. | Target Company | KOTHARI INDUSTRIAL CORPORATION LIMITED |
| 52. | Tendering Period | September 20,2024, Friday to October 04, 2024, Friday (Tentative) |
| 53. | TRS | Transaction Registration Slip |
| 54. | Underlying Transaction | The proposed preferential issue approve by Board of Directors of Target Company in their Board Meeting held on July 29,2024 subject to the approval of shareholders (members) and other regulatory approvals of 3,00,00,000 (Three Crore) equity shares offered to Acquirer and others of face value of ₹ 5/- each at an issue price of ₹ 14.33/- per equity share |
| 55. | Voting Share Capital | The total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th (tenth) Working Day from the closure of the tendering period of the Open Offer. |
| 56. | Working Day | Working Days of SEBI |

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations, 2011 unless specified. In this Draft Letter of Offer, any reference to the singular will include the plural and vice-versa.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR OF THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER (KUNVARJI FINSTOCK PRIVATE LIMITED) HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 12, 2024. TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer is a mandatory open offer being made by the Acquirer to the Public Shareholders of the Target Company in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the preferential allotment.

3.1.2 The board of directors of the Target Company at their meeting held on July 29,2024, has approved a preferential issue upto 3,00,00,000 fully paid-up Equity Shares of face value of Rs. 5 each (“Issue Shares”) on preferential basis representing 70.62% of Expanded Voting Share Capital of the Target Company for cash at a price at a price of ₹ 14.33 /- (Rupees Fourteen and thirty three Paise only) per fully paid up Equity Share (“Preferential Issue”) (“Underlying Transaction”) for a consideration aggregating to ₹ 42,99,00,000/- (Rupees Forty-Two Crore Ninety Nine Lakh Only) to the Acquirer and others in compliance with the provisions of Companies Act, 2013 (“Act”) and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto (“SEBI ICDR Regulations, 2018”). The consent of the members of the Target Company for the proposed preferential allotment is being sought through issuance of notice of Extra Ordinary General Meeting to be held on August 21,2024.

3.1.3 This Open Offer is being made under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011. Further, the Acquirer has agreed to acquire 2,00,00,000 (Two Crore) Equity Shares of the Target Company, representing 47.08% of the Expanded Voting Share Capital of the Target Company via preferential issue by the Target Company at an issue price of ₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only) per Preferential Share, aggregating to an amount of Rs. 28,66,00,000/- (Rupees Twenty Eight Crore Sixty Six Lakh Only) and through completion of the Open Offer 1,10,45,811 (One Crore Ten Lakh Forty-Five Thousand Eight Hundred and Eleven) (assuming all equity shares are tendered in the open offer), the Acquirer will hold 73.08 % of the Expanded Voting Equity Share Capital of the Target Company.

Pursuant preferential issue and open offer (as mentioned above) the Acquirer shall hold majority of equity shares by virtue of which He will be in a position to exercise control over management and affairs of the Target Company and will form part of the Promoter and Promoter Group of the Target Company. Subject to necessary compliance and in accordance with the SEBI (SAST) Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.1.4 Pursuant to the proposed underlying transaction where of 2,00,00,000 equity shares to be issue and allotted to acquirer hence, the Acquirer is making an Open Offer in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011. The Offer Price will be payable in cash by the Acquirer in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.1.5 Detailed proposed issue/allotment of equity shares of the Target Company to Acquirer through preferential issue at a price of Rs. 14.33/- per Equity Share is tabled below:

| Name of Acquirers | Pre-Transaction Shareholding Number and % of Total Present Share Capital | Total No. of Equity Shares to be allotted of TC under preferential issue | Total Number of Equity Shares held in TC post Pref. Issue | % of Total Number of Equity Shares on Emerging Share & Voting Capital |
|-------------------|--|--|---|---|
| J Rafiq Ahmed | Nil | 2,00,00,000 | 2,00,00,000 | 47.08% |

3.1.6 The Acquirer have made this Open Offer to acquire up to 1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) fully paid up Equity Shares of ₹ 5/- (Rupees Five only) each representing 26% of the Expanded Voting Equity Share Capital of the Target Company, at a price of ₹ 14.33 /- (Rupees Fourteen and thirty three Paise only) per fully Paid-Up Equity Share from the Public Shareholders of the Target Company. The aggregating to a total consideration of ₹ 15,82,86,472/- (Rupees Fifteen Crore Eighty Two Lakh Eighty Six Thousand Four Hundred and Seventy Two Only) (assuming full acceptance) (“Offer Size”), payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions as set out in PA, DPS and Letter of Offer (“LOF”).

3.1.7 Shareholding pattern of the Target company pre and post proposed preferential issue:

| Category | Pre preferential issue | | Post preferential issue | |
|----------------------------------|------------------------|--------|-------------------------|---------|
| | No of Shares | % | No of Shares | % |
| Promoters and Promoter Group (A) | 26,78,038 | 21.45 | *3,37,23,849 | 79.39** |
| Public (B) | 98,05,847 | 78.55 | 87,60,036 | 20.61 |
| Total (A) + (B) | 1,24,83,885 | 100.00 | 4,24,83,885 | 100.00 |

- **Currently, Mr. J. Rafiq Ahmed is the non-promoter. He will be classified as “Promoter” post completion of open offer / preferential allotment of Equity shares assuming full acceptance of 1,10,45,811 shares in the open offer*
- ***Under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rule 19A of Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR, 1957”), the Target Company is required to maintain at least 25% (Twenty-five Percent) public shareholding (as determined in accordance with SCRR, 1957) on a continuous basis. Pursuant to completion of this Open Offer, assuming all Equity Shares are tendered in the Open Offer, the Acquirer will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company and other promoter and promoter group will hold 26,78,038 equity shares representing 6.30 % of the Expanded voting equity Share Capital of the Target Company cumulatively increasing the holding of promoter and promoter group to 79.38% due to which the public shareholding in the Target Company will fall below such minimum public shareholding requirement. In such an event, the Acquirer and Promoter and promoter group will ensure compliance with the minimum public shareholding requirements in such manner and timelines as prescribed under applicable law, which may have an adverse effect on the price of the Equity Shares*

3.1.8 The current and proposed Shareholding of the Acquirer in the Target Company and the details of the acquisition are as follows:

| Details | | Acquirer |
|--|-----------------------------------|--|
| Name of Acquirer(s) / PAC(s) | | J Rafiq Ahmed |
| Address | | 25/8, 2nd Street, Perambur High Road, Perambur Barracks, Chennai-600012, Tamil Nadu, India |
| Name(s) of persons in control / promoters of Acquirers / PAC where Acquirers / PAC are companies | | NIL |
| Name of the Group, if any, to which the Acquirers belongs to | | NIL |
| Pre-transaction Shareholding | No. of Equity Shares | NIL |
| | % of Paid-up Equity Share Capital | NIL |

| | | |
|--|--|---|
| No. of shares to be acquired pursuant to allotment of Preferential Issue of Equity shares | | 2,00,00,000 |
| Proposed shareholding after the acquisition of Equity Shares which Triggered the Open Offer (i.e., Post allotment of Preferential Issue) | No. of Equity Shares | 2,00,00,000 |
| | % of Expanded Voting Share Capital | 47.08% |
| Open Offer 26% | | 1,10,45,811 |
| Proposed shareholding after the acquisition of shares which Triggered the Open Offer (i.e., Post Preferential issue and assuming full acceptance of open offer) | No. of Equity Shares | 3,10,45,811 |
| | % of Expanded Voting Equity Share Capital | 73.08% ^{**} |
| Any other interest in the Target Company | | Acquirer presently is on Board of the Target Company and is appointed as a Managing Director since 28 th September 2017 and does not have any other interest in the Target Company |

Note:

**The difference, if any, in the percentage is due to rounding off.*

- No person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("Deemed PACs"), however, such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.*
- The Acquirer will become the Promoter of the Target Company and shall have control over the Target Company. Subject to necessary compliance and in accordance with the SEBI (SAST) Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- ^{**}Under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rule 19A of Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR, 1957**"), the Target Company is required to maintain at least 25% (Twenty-five Percent) public shareholding (as determined in accordance with SCRR, 1957) on a continuous basis. Pursuant to completion of this Open Offer, assuming all Equity Shares are tendered in the Open Offer, the Acquirer will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company and other promoter and promoter group will hold 26,78,038 equity shares representing 6.30 % of the Expanded voting equity Share Capital of the Target Company cumulatively increasing the holding of promoter and promoter group to 79.38% due to which the public shareholding in the Target Company will fall below such minimum public shareholding requirement. In such an event, the Acquirer and Promoter and promoter group will ensure compliance with the minimum public shareholding requirements in such manner and timelines as prescribed under applicable law, which may have an adverse effect on the price of the Equity Shares*

3.1.9 Pursuant to the consummation of the Underlying Transaction and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will have control over the Target Company as *he will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company* and will become the promoter of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. And thus will be classified as a promoter of the Target Company,

- 3.1.10 Pursuant to the preferential issue and open offer (as mentioned above) the Acquirer shall hold majority of equity shares by virtue of which he will be in a position to exercise control over management and affairs of the Target Company and will be form part of the Promoter and Promoter Group of the Target Company. Subject to necessary compliance and in accordance with the “SEBI (SAST) Regulations, 2011 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.1.11 The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.1.1 The prime objective of the Acquirer for the acquisition of Equity Shares is to have substantial holding of Equity Shares, voting rights and control of the Target Company. On the completion of the underlying transactions of the Open Offer, the Acquirer will look to further expand the business and drive the next growth phase of the Target Company.
- 3.1.2 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company. As a consequence of the substantial acquisition of shares, voting rights and control over the Target Company by the Acquirer, this Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations

3.1.3 The salient features of the Underlying Transaction are as follows:

- I. The Offer is being made by the Acquirer under the provisions of Regulations 3(1) and 4 and other applicable provisions of the SEBI SAST Regulations to all the Public Shareholders of the Target Company. This Offer have been triggered upon the proposed issue/allotment of equity shares through preferential issue to Acquirer and he has agreed to acquire 2,00,00,000 (Two Crore) Equity Shares of the Target Company, representing 47.08% of the Expanded Voting Share Capital of the Target Company via preferential issue by the Target Company at an issue price of ₹ 14.33 /- (Rupees Fourteen and thirty three Paisa only) per Preferential Share, aggregating to an amount of Rs. Rs. 28,66,00,000/- (Rupees Twenty Eight Crore Sixty Six Lakh Only)
- II. The Acquirer have made this Open Offer to acquire up to 1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) fully paid up Equity Shares of ₹ 5/- (Rupees Five only) each representing 26% of the Expanded Voting Equity Share Capital of the Target Company, at a price of ₹ 14.33 /- (Rupees Fourteen and thirty three Paisa only) per fully Paid-Up Equity Share from the Public Shareholders of the Target Company. The aggregating to a total consideration of ₹ 15,82,86,472/- (Rupees Fifteen Crore Eighty Two Lakh Eighty Six Thousand Four Hundred and Seventy Two Only) (assuming full acceptance)(“Offer Size”) , payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions as set out in PA, DPS and Letter of Offer (“LOF”).
- III. The Acquirer does not have any plan to dispose of or otherwise encumber any significant assets of the Target Company for the next 2 (Two) years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed of or otherwise encumbered other than in the ordinary course of business, the Acquirer undertake that he shall do so only upon the receipt of the prior approval of the shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011 and subject to the provisions of applicable law as may be required.
- IV. Upon completion of the Offer, assuming full acceptance of the Offer, the Acquirer will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company as on the tenth working day after the closure of the Tendering Period and Existing promoter and promoter group is holding 26,78,038 equity shares representing 6.30 % of the Expanded voting equity Share Capital of the Target Company cumulatively increasing the holding of promoter and promoter group to 79.38% due to which the public shareholding in the Target Company will fall below such minimum public shareholding requirement.

As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. However, pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below the minimum public shareholding (“MPS”) requirement as per Rule 19A of SCRR read with SEBI (LODR) Regulations. In such an event, the Acquirer shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirer, to meet the MPS requirements specified under SCRR.

- V. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges, equitable interests and encumbrances and shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- VI. All the Equity Shares validly tendered by the Public Shareholders in this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and as will be set out in the letter of offer that will be issued in relation to this Offer (“Letter of Offer” or “LoF”).
- VII. As on the date of this DPS, there are no (i) partly paid-up Equity Shares; or (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures including ESOPs) issued by the Target Company
- VIII. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI SAST Regulations.
- IX. This Offer is not a competing offer in terms of Regulation 20 of the SEBI SAST Regulations.
- X. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company.
- XI. Open offer for acquiring shares can be withdrawn by the Acquirer if it would be outside the reasonable control of the Acquirer, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.
- XII. Acquirer will be classified as a promoter of the Target Company along with the existing promoters and promoter group of the Target Company. Pursuant preferential issue and open offer (as mentioned above) the Acquirer shall hold majority of equity shares by virtue of which He will be in a position to exercise control over management and affairs of the Target Company and will form part of the Promoter and Promoter Group of the Target Company. Subject to necessary compliance and in accordance with the SEBI (SAST) Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- XIII. The Manager does not hold any Equity Shares in the Target Company as of the date of this DPS. The Manager further declares and undertakes not to deal on its own account in the Equity Shares of the Target Company during the Offer period.
- XIV. To the best of the knowledge and belief of the Acquirer, as on the date of this Detailed Public Statement, there are no statutory or other approvals required to implement the Offer other than as indicated in Paragraph VII of this Detailed Public Statement. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal in the Newspapers and such public announcement will also be sent to SEBI, BSE, and to the Target Company at its registered office.
- XV. The Acquirer does not have any plan to dispose of or otherwise encumber any significant assets of the Target Company for the next 2 (Two) years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed of or otherwise encumbered other than in the ordinary course of business, the Acquirer undertake that he shall do so only upon the receipt of the prior approval of the

shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011 and subject to the provisions of applicable law as may be required.

- 3.1.4 The Acquirer, Promoter and Promoter group of Target Company are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulations made under the SEBI Act
- 3.1.5 The proposed change in control of the Target Company is not through any scheme of arrangement.
- 3.1.6 The Recommendations of the Committee of Independent Directors as constituted by the Board of Directors of the Target Company for the Offer will be published at least 2 (Two) Working Days before the commencement of the Tendering Period, in the same newspapers where the Detailed Public Statement was published and a copy whereof shall be sent to SEBI, BSE and Manager to the Offer and in case of a competing offer/s to the manager/s to the Offer for every competing offer/s.

3.2 Details of the Proposed Offer

- 3.2.1 This Offer is being made by the Acquirer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company, Pursuant to the proposed underlying transaction where of 2,00,00,000 equity shares will be issued and allotted to acquirer.
- 3.2.2 In accordance with Regulations 13(1) and 15(1) of SEBI (SAST) Regulations, 2011, the PA was issued on July 29, 2024 by the Manager to the Offer, for and on behalf of the Acquirer. A copy of the said Public Announcement was filed with BSE , CSE and SEBI and sent to the Target Company at its registered office also.
- 3.2.3 The Detailed Public Statement dated August 05, 2024, which was subsequently published in the following newspapers on August 05, 2024, in accordance with the provisions of Regulation 14(3) of the SEBI (SAST) Regulations, 2011 was published in the following newspapers:

| Publication | Editions | Date & Day |
|------------------------------|-----------------|-------------------|
| Financial Express (English) | All Editions | August 05, Monday |
| Jansatta (Hindi) | All Editions | August 05, Monday |
| Indhu Tamizh Thisai (Tamil) | Chennai Edition | August 05, Monday |
| Pratahkal - Mumbai (Marathi) | Mumbai Edition | August 05, Monday |

A copy of the Detailed Public Statement has been filed with BSE , CSE and sent to SEBI and the Target Company on August 05, 2024, Monday. A copy of DPS is also available on the SEBI's website (www.sebi.gov.in) and BSE's website (www.bseindia.com).

- 3.2.4 The Acquirer has made this Offer in terms of Regulation 3(1) and Regulation 4 SEBI (SAST) Regulations, 2011 to the Public Shareholders of the Target Company, to acquire up to **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** fully paid up Equity Shares representing 26% of the Expanded Voting Equity Share Capital of the Target Company at **₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only)** each aggregating to **₹ 15,82,86,472/- (Rupees Twelve Crore Eighty-One Lakh Thirty One Thousand Four Hundred and Eight Only)**.The Offer Price will be payable in cash by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI SAST Regulations
- 3.2.5 As of date of this Draft Letter of Offer, the Target Company doesn't have:
- a. Any partly paid up shares.

- b. Outstanding instruments in warrants, or options or fully or partly convertible debentures/preference shares/ employee stock options etc., which are convertible into Equity Shares at a later stage.
 - c. Equity Shares which are forfeited or kept in abeyance.
- 3.2.6 There is no differential pricing in the Offer.
- 3.2.7 This is not a competitive bid in terms of the provisions of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- 3.2.8 The Offer Price has been arrived in accordance with Regulation 8(2) of the SEBI (SAST) Regulations, 2011. Assuming full acceptance of the Offer, the total consideration payable by the Acquirers in accordance with the SEBI (SAST) Regulations, 2011 will be the Maximum Consideration.
- 3.2.9 This Offer is made to all the Public Shareholders of the Target Company except the Acquirers in terms of provision of the regulation 7(6) of SEBI (SAST) Regulations, 2011.
- 3.2.10 This Offer is not a conditional offer and is not subject to any minimum level of acceptance from the Public Shareholder. Acquirers will accept the Equity Shares of the Target Company tendered in valid form in terms of this Offer up to a maximum of **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** fully paid up Equity Shares representing 26% of the Expanded Voting Equity Share Capital of the Target Company at **₹ 14.33 /- (Rupees Fourteen and thirty-three Paise only)** per fully Paid-Up Equity Share from the Public Shareholders of the Target Company. The aggregating to a total consideration of **₹ 15,82,86,472/- (Rupees Twelve Crore Eighty-One Lakh Thirty One Thousand Four Hundred and Eight Only)**; (assuming full acceptance) .
- 3.2.11 The Acquirer has not acquired any shares of Target Company after the date of PA i.e. July 29, 2024 and up to the date of DLoF.
- 3.2.12 The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all lien, charges and encumbrance. The Sale Shares will be acquired, subject to such Sale Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the PA, the DPS and as will be set out in the DLoF, and the tendering Public Shareholders shall have obtained all necessary consents required by them to Tender the Offer Shares.
- 3.2.13 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Kunvarji Finstock Private Limited as the Manager.
- 3.2.14 The Manager to the Offer does not hold any Equity Shares in the Target Company as of the date of DPS and this DLoF. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.15 As per Regulation 38 of the SEBI (LODR) Regulations, 2015 read with Rule 19A of the SCRR, 1957, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the Public Shareholding, on continuous basis for listing. Pursuant to completion of this offer, assuming full acceptance, the Public Shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR, 1957 and the SEBI (LODR) Regulations, 2015. In this case, the Acquirer and promoter undertakes to take necessary steps to facilitate compliance by the Target Company with the relevant provisions of the SEBI (LODR) Regulations, 2015 within the time period mentioned therein or in accordance with such other directions as may be provided by the BSE, in accordance with the provisions of Regulation 7(4) of the SEBI (SAST) Regulations, 2011 and SCRR, 1957.

- 3.2.16 Upon completion of the Offer, assuming full acceptance of the Offer, the Acquirer will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company as on the tenth working day after the closure of the Tendering Period. As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. However, pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below the minimum public shareholding (“MPS”) requirement as per Rule 19A of SCRR read with SEBI (LODR) Regulations. In such an event, the Acquirer shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirer, to meet the MPS requirements specified under SCRR.
- 3.2.17 Upon completion of this Offer, assuming full acceptances, the Acquirer will hold 3,10,45,811 (Three Crore Ten Lakhs Forty Five Thousand Eight Hundred and Eleven Only) representing 73.08% of the Expanded voting equity Share Capital of the Target Company.
- 3.2.18 The Equity Shares will be acquired by the Acquirer are free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter.
- 3.2.19 If the Acquirer acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) Weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose offer Shares have been accepted in the offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, including subsequent amendments thereto, or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 3.2.20 The payment of consideration shall be made to all the Public Shareholders, who have tendered their Equity Shares in acceptance of the offer within 10 (Ten) Working Days of the expiry of the Tendering Period. Credit for consideration will be paid to the Public Shareholders who have validly tendered Equity Shares in the Offer by crossed account payee cheques/pay order/demand drafts/electronic transfer. It is desirable that Public Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheques/demand draft/pay order.

3.3 Object of the acquisition / offer

- 3.3.1 The Object of the acquisition is substantial acquisition of Shares/Voting Rights of the Target Company and to control over the management of the Target Company and continue the existing business of the Target Company.
- 3.3.2 The Acquirer may at its discretion seek to effect changes to the Board of Directors of the Target Company, in accordance with the applicable laws and regulations.
- 3.3.3 The Acquirer shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed preferential issue and the Open Offer.
- 3.3.4 The prime object of this acquisition is to acquire management control of the Target Company. Upon successful completion of open offer, Acquirer shall achieve substantial acquisition of Equity Shares and voting capital and intending to acquire control over Target Company in terms of Regulation 4 of SEBI

(SAST) Regulations, 2011 and will be identified as part of Promoter and Promoter group of the Target Company.

3.3.5 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, Acquirers do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of Target Company in the succeeding 2 (Two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by Target Company. Notwithstanding anything contained herein and except with the prior approval of the Shareholders of Target Company through a special resolution passed, by way of postal ballot in terms of regulation 25(2) of the SEBI (SAST) Regulations, 2011 and subject to the provisions of applicable laws as may be required.

3.3.6 The Acquirer will continue with existing line of Business of the Target Company. The Company is mainly engaged in manufacturing and trading of fertilizers. Having more than seven decades experience in the manufacturing and marketing of fertilizers, trading of NPK mixtures, and also distributing Plant protection chemicals, Micro Nutrients & Growth Promoters. Target company is a dominant player in the Agro Inputs industry, providing cost-effective, superior quality, new technology products and affordable prices to the farming community. Apart from manufacturing of fertilizers company also engaged in in other business such as footwears, Drones and Restaurants.

3.3.7 Pursuant to the Offer and upon the completion of the transactions the Acquirer will be classified as a promoter of the Target Company, Pursuant to the preferential issue and open offer (as mentioned above) the Acquirer shall hold majority of equity shares by virtue of which He will be in a position to exercise control over management and affairs of the Target Company and will be form part of the Promoter and Promoter Group of the Target Company. Subject to necessary compliance and in accordance with the “SEBI (SAST) Regulations, 2011 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. BACKGROUND OF ACQUIRER

A. INFORMATION ABOUT THE ACQUIRER - (“ACQUIRER”)

a) *J Rafiq Ahmed (“ACQUIRER”)*

- i. Mr. J Rafiq Ahmed, S/o Jinnah Moideen Nagoor Katchi, aged 50 years, residing at 25/8, 2nd Street, Perambur High Road, Perambur Barracks, Chennai-600012, Tamil Nadu, India Ph. No. +91- 98844 66666; E-mail id: rafiq@kotharis.in , rafiq_psrn@yahoo.co.in
- ii. Acquirer have an experience of 14 Years in business of fertilizer, leather and steel.
- iii. The board of directors of the Target Company in the board meeting held on July 29, 2024 have authorized a preferential allotment of 3,00,00,000 fully paid- up Equity Shares of face value of Rs. 5/- each on preferential basis to certain public category investors.

Out of which 2,00,00,000 fully paid- up Equity Shares of face value of Rs. 5/- each representing 47.08% of Expanded Voting Equity Share Capital will be issued/alloted to Acquirer.

- iv. Acquirer presently is on Board of the Target Company and is appointed as a Managing Director since 28th September 2017 and does not have any other interest in the Target Company.
- v. Name(s) other Companies in which the Acquirer holds Directorship, the details of the same is as follows:

| Sr. No. | Name of the Companies | Designation |
|---------|---|-------------|
| 1 | ABRA Hotels Private Limited | Director |
| 2 | Interactive Creation Limited | Director |
| 3 | Parveen Roadways Private Limited | Director |
| 4 | ABRA Industries Private Limited | Director |
| 5 | Topguard International Security Force Private Limited | Director |

| | | |
|----|--|---------------------|
| 6 | Kothari Footwear International Private Limited | Director |
| 7 | JR Three Kothari Housing And Hospitality Private Limited | Director |
| 8 | KICL Foods Private Limited | Director |
| 9 | JR One Kothari Footwear Private Limited | Director |
| 10 | Evervan Kothari Footwear Limited | Director |
| 11 | Phoenix Kothari Footwear Limited | Director |
| 12 | Shoetown Kothari Footwear Private Limited | Director |
| 13 | Southern India Chamber Of Commerce & Industry | Additional Director |
| 14 | Kothari Bees Advertising Private Limited | Director |
| 15 | Zhong Bu Development India Private Limited | Director |
| 16 | Kothari's My Park King Solutions Private Limited | Director |
| 17 | JR Two Kothari Effluent Private Limited | Director |
| 18 | Flyeasy Aviation Services Private Limited | Director |

- vi. The Net worth of the Acquirer as on July 26,2024, is **Rs. 55,45,50,000 (Rupees Fifty-Five Crores Forty-Five Lakhs Fifty Thousand Only)** and the same is certified by Mr. N Ganesan (Membership No.: 023700), Proprietor at M/s. N. Ganesan & Co, Chartered Accountants having its office at Lake View Building 177/136 Valluvarkottam High Road Nungambakkam Chennai 600034, vide his certification July 26, 2024 (UDIN: 24023700BKFYIJ9190).
- vii. Acquirer will be classified as a promoter of the Target Company, Pursuant to the preferential issue and open offer (as mentioned above) the Acquirer shall hold majority of equity shares by virtue of which He will be in a position to exercise control over management and affairs of the Target Company and will be form part of the Promoter and Promoter Group of the Target Company. Subject to necessary compliance and in accordance with the “SEBI (SAST) Regulations, 2011 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Confirmations by the Acquirer:

- i. The Acquirer have not acquired any Equity Shares of the Target Company between the date of PA i.e., July 29,2024, and the date of this Detailed Public Statement.
- ii. The Acquirer undertake that he will not sell the Equity Shares of the Target Company held by them if any during the Offer Period in terms of regulation 25(4) of the SEBI (SAST) Regulations.
- iii. The Acquirer have undertaken that if he acquire any further Equity Shares of the Target Company during the Offer period, he shall disclose such acquisition to the Stock Exchange where the Equity Shares of the Target Company are listed and to the Target Company at its registered office within 24 hours of such acquisition in compliance with Regulation 18(6) of the SEBI (SAST) Regulations. Further, He have also undertaken that he will not acquire any Equity Shares of the Target Company during the period between three Working Days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per Regulation 18(6) of the SEBI (SAST) Regulations.
- iv. As of the date of this DPS, the Acquirer is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (“SEBI Act”) or any other regulations made under the SEBI Act.
- v. The Acquirer is not categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- vi. The Acquirer is not categorized / declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- vii. The Acquirer and other companies in which he is the promoter and/or director, are not appearing in the wilful defaulter’s list of the Reserve Bank of India.
- viii. The Acquirer and the other companies, in which he is the promoter and/or director, have not been

prohibited from assessing the capital market under any order/direction passed by SEBI.

d. Information about the PACs :

No person is acting in concert with the Acquirer for the purposes of this Open Offer.

5. BACKGROUND OF THE TARGET COMPANY – KOTHARI INDUSTRIAL CORPORATION LIMITED

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1 The Target Company is a public limited company and was incorporated on July 01,1970 as Kothari (Madras) Limited under provisions of the Companies Act, 1956 and registered at the Registrar of Companies, Madras. (ROC Chennai)

Subsequently having duly passed the necessary resolution in terms of section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded hereto in the Ministry of Law, Justice and Company Affairs, Department of Company Affairs, Regional Director, Madras, letter No. 4/21/M.2/84 dated March 30,1984 the name of the said company is changed to KOTHARI INDUSTRIAL CORPORATION LIMITED and pursuant to Section 23 (1) a fresh certificate of incorporation issued by the Registrar of Companies, Tamil Nadu (Madras).

The Company's shares were listed on the Bombay Stock Exchange since August 8, 1972. However, trading was suspended on July 18, 2000, due to penal actions. Subsequently, the company applied for the revocation of this suspension with BSE Limited on July 23, 2023, under application number 178427. This application was approved, and the company's shares were successfully relisted on the exchange.

The Target Company is also listed on Calcutta Stock Exchange Limited (CSE) however trading in the shares are being suspended on Calcutta Stock Exchange Limited (CSE) due non payment of listing fees to CSE since 1998.

- 5.2 The Registered Office of the Target Company is situated at 114, Kothari Blds, Nungambakkam High Rd Nungambakkam, Chennai, Tamil Nadu, India, 600034 **Tel. No.**,+91044-28334565 + **E-mail:** enquiries@kotharis.in , companysecretary@kotharis.in; **Website:** www.kicl.in
- 5.3 The The Equity Shares of the Target Company are listed and traded at BSE only bearing the symbol 'KOTIC', script code 509732 and the ISIN of Equity Shares of the Target Company is INE972A01020. The status of the equity shares listed is under 'XT /T+1' Category in BSE.
- 5.4 The Company is mainly engaged in manufacturing and trading of fertilizers. Having more than seven decades experience in the manufacturing and marketing of fertilizers, trading of NPK mixtures, and also distributing Plant protection chemicals, Micro Nutrients & Growth Promoters. Target company is a dominant player in the Agro Inputs industry, providing cost-effective, superior quality, new technology products and affordable prices to the farming community.
- 5.5 Apart from manufacturing and trading of Fertilizers. Company also engaged in other business such as footwears, Drones and Restaurants.
- 5.6 As per data available at MCA website, The Authorized Share Capital of the Target Company is ₹ 25,00,00,000/- comprising of 5,00,00,000 Equity Shares of ₹ 5/- each. The paid-up Equity Share Capital

of the Target Company is ₹ 6,24,19,425/- comprising 1,24,83,885 Equity Shares of ₹ 5/- each fully paid up.

- 5.7 The board of directors of the Target Company at their meeting held on July 29,2024, has approved issue/allot upto 3,00,00,000 fully paid up Equity Shares of face value of Rs. 5 each (“Issue Shares”) on preferential basis representing 70.62% of Expanded Voting Share Capital of the Target Company for cash at a price at a price of ₹ 14.33 /- (Rupees Fourteen and thirty three Paise only) per fully paid up Equity Share (“Preferential Issue”) (“Underlying Transaction”) for a consideration aggregating to ₹ 42,99,00,000/- (Rupees Forty Two Crore Ninety Nine Lakh Only) to the Acquirer in compliance with the provisions of Companies Act, 2013 (“Act”) and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto (“SEBI ICDR Regulations, 2018”). The consent of the members of the Target Company for the proposed preferential allotment is being sought through issuance of notice of Extra- Ordinary General Meeting to be held on August 21, 2024.
- 5.8 There was a reduction in share capital of the company and Board of Directors at their meeting held on October 31, 2020, approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company’s website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose). The Company had filed the application/scheme for reduction of capital before the NCLT, Chennai. NCLT, Chennai has approved the scheme of reduction of capital via an order dated May 10, 2023. The company had filed e-form INC-28 with the Registrar of Companies, Chennai on May 30, 2023, upon which the scheme has become effective. The issue subscribed and paid-up capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹ 9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425.
- 5.9 As per the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended June 30, 2024, (i) there are no partly paid up Equity Shares; (ii) it has not issued any convertible securities; (iii) it has not issued any warrants;
- 5.10 There has been no merger/de-merger, or spin-off during the last three years involving the Target Company.
- 5.11 The Target Company is not registered with any regulatory or governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company.
- 5.12 The Target Company is listed and suspended on Calcutta Stock Exchange Limited (CSE) and has not paid listing fees to CSE since 1998.
- 5.13 The Company's shares were listed on the Bombay Stock Exchange since August 8, 1972. However, trading was suspended on July 18, 2000, due to penal actions. Subsequently, the company applied for the revocation of this suspension with BSE Limited on July 23, 2023, under application number 178427. This application was approved, and the company's shares were successfully relisted on the exchange.

5.14 The Target Company is also listed on Calcutta Stock Exchange Limited (CSE) however trading in the shares are being suspended on Calcutta Stock Exchange Limited (CSE) due non payment of listing fees to CSE since 1998.

5.15 The Target company has complied with all the provisions of SEBI (LODR) regulations, 2015 from time to time and there are no punitive actions except the following mentioned below:

The Company was suspended by the BSE on July 18, 2000 due to penal action. The company has made an application for revocation of suspension to BSE Limited on July 23, 2023 wide application no 178427 and paid a sum of ₹43,20,000/- (Forty Three Lakh Twenty Thousand Only) for reinstatement fees for revocation of suspension.

Target Company have paid the listing fees and Further on March 20,2024 BSE via Notice no: 20240320-9 has informed that suspension in trading of equity shares of the company will be revoked w.e.f. March 28, 2024. Pursuant to SEBI Circular No.SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 (Erstwhile SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018), trading in the securities of the company will be resumed in“XT” group. Thus the company was relisted on March 28, 2024.

5.16 As on the date of DLoF, there are no partly paid-up equity shares. There are no outstanding warrants or options or similar instruments convertible into Equity Shares at a later stage. No Equity Shares are subject to any lock-in obligations.

5.17 The Offer Price will be payable in cash, through bank transfer, by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.

5.18 There are certain delay in compliances with the applicable provisions of the SEBI (SAST) Regulations/ with respect to Regulation 30 and 31(4) of SEBI (SAST) Regulations during a period of eight financial years preceding the financial year in which the Public Announcement for instant open offer has been made, where it has been delayed complied / the proof of submission is not available with Target Company or its existing promoters and those disclosures are also not being disseminated on stock exchange website, hence it is not ascertainable to verify the submission thereof. SEBI may take appropriate action against the Promoter and Promoter Group of Target Company for the same.

5.19 There are regulatory orders against the target company, details of the same is mentioned below :

| ENTITY | PERSON | COMPETENT AUTHORITY | REGULATORY CHARGES | REGULATORY ACTION(S)/DATE OF ORDER | FURTHER DEVELOPMENTS |
|------------------------------|--------|---------------------|--|--|----------------------|
| KOTHARI INDUSTRIAL CORP. LTD | | EPFO | EXEMPTED AND UNEXEMPTED ESTABLISHMENTS DEFAULTED WITH EPFO INCLUDING PROVIDENT FUND. PENSION & EDLI CONTRIBUTION | AMONG OTHER ACTIONS, NAMES OF DEFAULTERS PUT ON THE EPFO WEBSITE 24-JUN-2021 | |

| | | | | | |
|------------------------------|--|------|---|---|--|
| | | | ADMINISTRATION CHARGES & PENAL DAMAGES | | |
| KOTHARI INDUSTRIAL CORP. LTD | | BSE | DID NOT COMPLY WITH LISTING AGREEMENT DID NOT COMPLY WITH LISTING REGULATIONS, 2015 | NOTICE TO THE COMPANY AND PUBLIC REGARDING PROPOSED DELISTING 02-JUN 2018 | |
| KOTHARI INDUSTRIAL CORP. LTD | | NCLT | DEFAULTED IN MAKING PAYMENT OF DUES | APPLICATION ADMITTED- RS.66.67.271 19-DEC-2017 | NCLAT VIDE ITS ORDER DATED 07/02/2018 SET ASIDED THE IMPUGNED ORDER DATED 19/12/2017. NO COSTS |

*Source: www.watchoutinvestors.com

Note: Case no 2 and 3 have been disposed off and not pending with the regulatory authority.

5.20 As of the date of this Draft Letter of Offer, the Share Capital structure of the Target Company is as follows:

| Paid-up Equity Shares of the Target Company | No. of Equity Shares / Voting Rights | Percentage of Equity Shares / Voting Rights |
|---|--------------------------------------|---|
| Fully paid-up Equity Shares | 1,24,83,885 | 100% |
| Partly paid-up Equity Shares | Nil | Nil |
| Total paid-up Equity Shares | 1,24,83,885 | 100% |
| Total voting rights in TC | 1,24,83,885 | 100% |

5.21 The details of pre and post- preferential allotment of the Target Company would be as under:

| Particulars | No. of Equity Shares |
|---|----------------------|
| Existing equity and voting share capital | 1,24,83,885 |
| Proposed preferential allotment of Equity Shares | 3,00,00,000 |
| Post Preferential allotment / Expanded voting Share capital | 4,24,83,885 |

5.22 The Equity Shares are not frequently traded within the meaning of definition of 'frequently traded shares' under clause (j) of Sub-Regulation (1) of Regulation (2) of the SEBI (SAST) Regulations, 2011 as of the date of PA.

5.23 As of the date of this Draft Letter of Offer, Kothari Marine International Limited is an unlisted subsidiary of the Target Company. The Company is holding 99.99 percent shares of that Company and does not have any Associate Company nor does it have Joint Venture with any entity.

5.24 Presently, there are no outstanding partly paid-up shares in the Target Company.

5.25 There has been no merger/de-merger, spin-off during the last 3 (Three) years involving the Target Company.

5.26 As of the date of This DLoF, the composition of the Board of Directors of Kothari Industrial Corporation Limited is as under:

| Sr. No. | Name | Designation | DIN |
|---------|--|---|----------|
| 1 | Pradip D Kothari | Chairman cum Non-Executive Director | 01315682 |
| 2 | Jinnah Moideen Ahmed Rafiq Rafiq Ahmed | Managing Director | 02861341 |
| 3 | Dilip Machado | Non-Executive Director cum Independent Director | 06895289 |
| 4 | Dakshinamoorthy Gunasekaran | Non-Executive Director cum Independent Director | 07326495 |
| 5 | Thooplamdu Arulpathy Rajalaxmi | Non-Executive Director cum Non Independent Director | 08148628 |
| 6 | Mr. Hari Kishore Arikati | Chief Financial Officer | NA |
| 7 | Anil Kumar Padhiali | Company Secretary & Compliance Officer | NA |

NOTE : As per rule 15(2)(a) of CHAPTER IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), the Target Company is exempted from the compliances of the provisions regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V.

5.27 The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company as the paid up equity capital of Target Company is less than Rs. Ten Crores and Net Worth of Target Company is also less than Rs. Twenty Five Crores. Hence as per Regulation 15 (2), corporate governance provisions specified Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

5.28 There are no directors representing the Acquirers appointed as directors on the Board of the Target Company.

5.29 The financial information of Target Company based on the Audited financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows: **(Amt. in lacs)**

| Profit & Loss Statement* | Year Ended 31.03.2024 | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|--|--------------------------|--------------------------|--------------------------|
| | (Audited) | (Audited) | (Audited) |
| Income from Operations | 1,363.52 | 957.64 | 945.77 |
| Other Income | 6,317.50 | 73.48 | 86.09 |
| Total Income | 7,681.02 | 1,031.12 | 1,031.86 |
| Total Expenditure (Excl. Depreciation and Interest) | 3,353.11 | 1,632.39 | 1,309.37 |
| Profit Before Exp. Item, Depreciation, Interest and Tax | 4,327.90 | (601.27) | (277.51) |
| Depreciation | 24.88 | 11.29 | 10.77 |
| Interest | 270.92 | 1,134.61 | 973.55 |
| Exceptional Item | - | 230.00 | 169.54 |

| | | | |
|----------------------------------|-----------------|-------------------|-------------------|
| Profit/ (Loss) Before Tax | 4,032.10 | (1,977.17) | (1,092.29) |
| Provision for Tax | 130.49 | - | 6.75 |
| Profit/ (Loss) After Tax | 3,901.61 | (1,977.17) | (1,099.04) |

| Balance Sheet Statement* | Year ended on March 31 (Audited) | | |
|-------------------------------|----------------------------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Equity Share Capital | 624.19 | 955.54 | 955.54 |
| Other Equity | 155.00 | (5,709.28) | (3,718.10) |
| Other Non-Current Liabilities | 49.39 | 7,285.09 | 6,268.87 |
| Trade Payable | (14.05) | 120.94 | 236.49 |
| Other Current Liabilities | 4,285.02 | 2,148.08 | 894.32 |
| TOTAL | 5,099.55 | 4,800.38 | 4,637.13 |
| Property, Plant & Equipment | 2,972.17 | 2,757.03 | 2,738.82 |
| Long Term Loans & Advances | 979.07 | 83.66 | 133.46 |
| Investments | - | - | - |
| Trade Receivable | 19.09 | 271.54 | 225.17 |
| Cash and Cash Equivalents | 115.52 | 37.79 | 17.09 |
| Short Term Loans & Advances | - | - | - |
| Other Non-Current Assets | 43.39 | 778.07 | 778.08 |
| Other Current assets | 968.31 | 872.27 | 744.50 |
| TOTAL | 5,099.55 | 4,800.38 | 4,637.13 |

*Source: Audited Financial Statements

| Other Financial Data | Year ended on March 31 | | |
|-----------------------------|------------------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Dividend (%) | - | - | - |
| Earnings Per Share (₹) | 26.27 | (10.35) | (5.75) |
| Net worth | (1,408.37) | (6,917.56) | (4,926.70) |
| Return on Net worth (%) | (277%) | 29% | 22% |
| Book Value Per Equity Share | (2.26) | (7.24) | (5.16) |

5.30 The Shareholding pattern of the Target Company, as on the date of DLOF is as follows:

| Shareholder Category | Number of Equity Shares of the Target Company | Percentage of Equity Share Capital (%) |
|----------------------|---|--|
| Promoter | 26,78,038 | 21.45 |
| Public | 98,05,847 | 78.55 |
| Total | 1,24,83,885 | 100.00 |

This part is intentionally left blank

5.31 Pre and Post Shareholding pattern of the Target Company as of the date of this Draft Letter of Offer is as follows:

| Shareholders' Category* | Shareholding and voting rights prior to the acquisition and open offer | | Shares/voting rights agreed to be acquired pursuant to allotment under Pref. Issue which triggered off the Takeover Regulations | | Shares/ voting rights to be acquired in the Offer (assuming full acceptance) | | Shareholding/ voting rights after the allotment under Pref. Issue and Open Offer | |
|---|--|--------------|---|--------------|--|-----------|--|--------------|
| | (A) | | (B) | | (C) | | i.e. = (A+B+C) | |
| | No. | % | No. | % | No. | % | No. | % |
| 1. Promoter and Promoter Group | | | | | | | | |
| a) Promoter | | | | | | | | |
| a) Indian | | | | | | | | |
| Individuals/ Hindu Undivided Family | 19,03,566 | 15.25 | - | - | - | - | 19,03,566 | 4.48 |
| b) Promoters other than 'a' above | | | | | | | | |
| Mr. J Rafiq Ahmed* | Nil | Nil | 2,00,00,000 | 47.08 | 1,10,45,811 | 26 | 3,10,45,811 | 73.08%## |
| Bodies Corporate | 1,07,526 | 0.86 | - | - | - | - | 1,07,526 | 0.25 |
| c) Foreign | | | | | | | | |
| Individuals (Non-Residents Individuals/ Foreign Individuals) | 3,06,946 | 2.46 | - | - | - | - | 3,06,946 | 0.73 |
| Bodies Corporate | 3,60,000 | 2.88 | - | - | - | - | 3,60,000 | 0.85 |
| | | | | | | | | |
| Total Shareholding of Promoter and Promoter Group (1)= (1a)+(1b)+(1c) | 26,78,038 | 21.45 | 2,00,00,000 | 47.08 | 1,10,45,811 | 26 | 3,37,23,849 | 79.39 |
| 2.Public Shareholding | | | | | | | | |
| a) Mutual Funds/ UTI | 20,000 | 0.16 | - | - | (1,10,45,811) | (26) | 87,60,036 | 20.61 |
| b) Bank | 1,270 | 0.01 | - | - | | | | |
| c) Insurance Companies | 25,82,909 | 20.93 | - | - | | | | |
| d) NBFC | 20 | 0.00 | - | - | | | | |
| e) Any other (specify) | - | - | - | - | | | | |
| f) Foreign institute | 50 | 0.00 | - | - | | | | |
| g) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 4,367 | 0.03 | - | - | | | | |
| h) Bodies Corporate | 34,43,25 | 2.76 | - | - | | | | |

| | | | | | | | | |
|---|--------------------|---------------|--------------|---|---|---|--------------------|---------------|
| i) Non Resident Indians (NRIs) | 24,079 | 0.20 | - | - | | | | |
| j) Individuals | 67,88,073 | 54.38 | 1,00,00,000^ | | | | | |
| k) Any other (specify) | 40,754 | 0.32 | - | - | | | | |
| Total Public Shareholding (2)= (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)+(k) | 98,05,847 | 78.55 | - | - | - | - | 87,60,036 | 20.61 |
| TOTAL (1)+(2) | 1,24,83,885 | 100.00 | - | - | - | - | 4,24,83,885 | 100.00 |

Note :

- a) *The difference, if any, in the percentage is due to rounding-off.*
- b) **Currently, Mr. J. Rafiq Ahmed is the non-promoter. He will be classified as "Promoter" post completion of open offer / preferential allotment of Equity shares assuming full acceptance of 1,10,45,811 shares in the open offer.*
- c) *^ On July 29, 2024, the board of directors of the Target Company approved a preferential allotment of 3,00,00,000 Equity Shares out of which 2,00,00,000 equity shares will be allotted to the Acquirer i.e 47.08% of the total of the Expanded Voting Share Capital of the Target Company and 1,00,00,000 Equity Shares will be allotted to the individual i.e 23.54% of the total of the Expanded Voting Share Capital of the Target Company*
- d) *Pre-Shareholding Pattern is based on June 30, 2024.*
- e) *All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.*
- f) **#Under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rule 19A of Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR, 1957**"), the Target Company is required to maintain at least 25% (Twenty-five Percent) public shareholding (as determined in accordance with SCRR, 1957) on a continuous basis. Pursuant to completion of this Open Offer, assuming all Equity Shares are tendered in the Open Offer, the Acquirer will hold 3,10,45,811 Equity Shares representing 73.08% of the Expanded voting equity Share Capital of the Target Company and other promoter and promoter group will hold 26,78,038 equity shares representing 6.30 % of the Expanded voting equity Share Capital of the Target Company cumulatively increasing the holding of promoter and promoter group to 79.38% due to which the public shareholding in the Target Company will fall below such minimum public shareholding requirement. In such an event, the Acquirer and Promoter and promoter group will ensure compliance with the minimum public shareholding requirements in such manner and timelines as prescribed under applicable law, which may have an adverse effect on the price of the Equity Shares*

5.32 There are no existing orders or on-going procedures against the Target Company and its Promoters, including existing selling promoters, under the SEBI Act and the regulations made thereunder or by any other regulator. Further, no penalties had been or have been levied by SEBI/ RBI or any other regulatory body against the Target Company and its Promoters, including existing promoters. Further, no statutory approvals are pending as of date.

5.33 The Target Company and its directors are not or have not been declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018, including subsequent amendments thereto, nor are they or have they been categorized nor are appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

5.34 The closing market price of the Equity Shares of the Target Company as of the date of the Public Announcement and the Detailed Public Statement, the trading day after the date of the Public Announcement was as below:

| Particulars | Closing Market Price |
|---|----------------------|
| July 29, 2024 the date of the PA | 11.93/- |
| July 30, 2024 the next trading day after the PA | 12.16/- |
| August 05, 2024 the date of the DPS | 13.14/- |
| August 06, 2024, the next trading day after the DPS | 13.40/- |

(Source: www.bseindia.com)

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Equity Shares of the Target Company are presently listed on BSE having the symbol **KOTIC**, Script Code: **509732** and the ISIN of Equity Shares of the Target Company is **INE972A01020**. The Equity Shares of the Target Company are not frequently traded on BSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1)(j) of SEBI (SAST) Regulation, 2011.

6.1.2 The annualized trading turnover in the Equity Shares of the Target Company based on trading volume during the Twelve calendar months prior to the month of PA (i.e. May 01, 2023 to April 30, 2024) is as set out below:

| Stock Exchange | Time Period | Total Number of Equity Shares traded during the twelve calendar months prior to the month of PA | Total Number of listed Equity Shares | Annualized trading turnover (as % of total Equity Shares listed) |
|----------------|--------------------------------|---|--------------------------------------|--|
| BSE | July 01, 2023 to June 30, 2024 | 43,653 | 1,24,83,885 | 0.35% |

(Source: www.bseindia.com)

Note: As the shares of the company are relisted on March 28, 2024, annualized trading turnover is calculated on the same.

6.1.3 The Offer Price of ₹ **14.33** /- (**Rupees Fourteen and thirty-three Paise only**) per Equity Share has been determined in terms of Regulations, 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011 being the highest of the following:

| Sr. | Particulars | Price (₹ per Equity Share) |
|-----|--|----------------------------|
| A | The highest negotiated price per Equity Share of the Target Company for acquisition under any agreement attracts the obligation to make a PA of an Open Offer. | Not Applicable- |
| B | The volume-weighted average price paid or payable for acquisitions, whether by the acquirers or by any person acting in concert with him, during the 52 (Fifty-two) weeks immediately preceding the date of the public announcement. | Not Applicable |
| C | The highest price paid or payable for any acquisition, whether by the acquirers or by any person acting in concert with him, during the 26 (Twenty-six) weeks immediately preceding the date of the public announcement. | Not Applicable |
| D | The volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the date of PA as traded on an exchange, provided such shares are frequently traded. | Not Applicable |
| E | The per Equity Share value computed under Regulation 8(5) of the Takeover Regulations, if applicable. | Not Applicable |
| F | Where the shares are not frequently traded, the price determined by the Acquirers and the Manager taking into account valuation parameters including book value, comparable trading multiples and earnings per share. | ₹ 14.33 /- |

(Source: Certificate dated July 29, 2024, issued by CS Shreyansh M Jain Registered Valuer, (SFA) registered with

- 6.1.4 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations, 2011.
- 6.1.5 If the Acquirer, acquires or agree to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations, 2011.
- 6.1.6 Provided that no such acquisition shall be made after the 1 (One) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. Further, in accordance with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, 2011, in case of an upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, the Acquirers shall (i) make corresponding increases to the escrow amount (ii) make public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously notify to BSE, SEBI and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations, 2011.
- 6.1.7 If the Acquirer, acquires Equity Shares of the Target Company during the period of 26 (Twenty-Six) Weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Equity Shares have been accepted in the Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 6.1.8 As of date, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011, which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- 6.1.9 If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to one (1) working day before the date of commencement of the tendering period and would be notified to the shareholders.

6.2 Financial Arrangements

- 6.2.1 The Total Fund Requirement for the Open Offer (assuming full acceptances) for the acquisition up to **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) Equity Shares** from all the Public Shareholders of the Target Company at an Offer Price of ₹ 14.33 /- (**Rupees Fourteen and thirty three Paise only**) per share aggregating to ₹ 15,82,86,472/- (**Rupees Fifteen Crore Eighty Two Lakh Eighty Six Thousand Four Hundred and Seventy Two Only**)
- 6.2.2 The Acquirer have confirmed that it has adequate financial resources and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011. The acquisition will be financed through the internal resources of the Acquirer and no borrowings from any bank and/or financial institution are envisaged.
- 6.2.3 The Acquirer has adequate financial resources and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Open Offer, further, in accordance with

Regulation 25 of the SEBI (SAST) Regulations, 2011, the Acquirers have deposited cash of Rs. ₹ **3,95,71,618/- (Rupees Three Crore Ninety-Five Lakh Seventy-One Thousand Six Hundred and Eighteen Only)** in the escrow account on July 31 2024, which is 25 % of the consideration of open offer.

- 6.2.4 The Acquirer, the Manager to the Offer and Kotak Mahindra Bank Limited, a Scheduled Commercial Bank and carrying on business as of banking in India under Banking Regulations, Act, 1949 having one of its branch offices at Nariman Point, Mumbai, India have entered into an Escrow Agreement dated July 29, 2024, and for the purpose of the Offer (the **“Offer Escrow Agreement”**). In terms of Regulation 17 of the SEBI (SAST) Regulations, 2011 the Acquirers have deposited cash of Rs. ₹ **3,95,71,618/- (Rupees Three Crore Ninety-Five Lakh Seventy-One Thousand Six Hundred and Eighteen Only)**; which is 25% of the consideration in an Escrow Account bearing name and style as ‘Kothari Industrial Corporation Limited Open Offer Escrow Account’ (‘Escrow Account’) opened with Kotak Mahindra Bank Limited.
- 6.2.5 The Acquirer has authorized the Manager to the Offer to the Offer to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 6.2.6 Mr. N Ganesan (Membership No.: 023700), Proprietor at M/s. N. Ganesan & Co, Chartered Accountants (Firm Membership No.: 0255305) vide his certificate dated July 26,2024 certified that the Acquirer have sufficient resources to meet the fund requirement for the obligation of Open Offer of the Target Company.
- 6.2.7 The Manager is authorized to operate the Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.8 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to offer is satisfied about the ability of the Acquirer to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.
- 6.2.9 In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, 2011, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions

- 7.1.1 The Offer is being made by the Acquirers to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 7.1.2 The Offer is not a conditional offer and is not subject to any minimum level of acceptances from Public Shareholders.
- 7.1.3 The LoF will be dispatched to all the shareholders of Target Company, whose names appear in its Register of Members on September 05,2024 the Identified Date.

- 7.1.4 The Offer is subject to the terms and conditions set out in this Letter of Offer, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.5 The LoF would also be available at SEBI's website www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- 7.1.6 This Offer is subject to (a) the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this DLoF (b) any of the conditions under preferential issue or approval from shareholder at extra ordinary general meeting dated August 21, 2024 are not met. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the statutory approvals are refused, the Offer would stand withdrawn. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (Two) Working Days of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement was published, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011 and such public announcement also will be sent to BSE, SEBI and the Target Company at its registered office.
- 7.1.7 While it would be ensured that the Letter of Offer is dispatched by the due date to all the eligible Public Shareholders as on the Identified Date, non-receipt of this Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.
- 7.1.8 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.9 The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.10 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period
- 7.1.11 In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, 2011, Public Shareholders who tender their Equity Shares in the Offer shall not be entitled to withdraw such acceptance.
- 7.1.12 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time during the Tendering Period. Subject to the receipt of the statutory or other approvals as specified in paragraph 7.4 (Statutory and Other Approvals) of this DLOF, the Acquirer has up to 10 (ten) Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer
- 7.1.13 The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

7.2 **Locked in shares:** None of the Equity Shares of the Target Company are subject to lock-in.

7.3 Persons eligible to participate in the offer

7.3.1 The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in register of Target Company as on the Identified Date.

7.3.2 This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.

7.3.3 All Public Shareholders who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Offer.

7.3.4 The acceptance of this Offer by the Public Shareholders must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.3.5 All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including, without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer in the event such approvals are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserves the right to reject such Offer Shares.

7.3.6 The acceptance of this Offer is entirely at the discretion of the Public Shareholders.

7.3.7 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of any documents during transit and the Public Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.3.8 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager to the Offer.

7.3.9 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

7.4 Statutory and other Approvals

7.4.1 To the best of knowledge and belief of the Acquirer, as of the date of this DLoF, except approval of BSE in accordance with Regulation 28 of SEBI (LODR) Regulations, 2015 in respect of Proposed Preferential Issue, there are no other statutory approvals required for this Offer. However, if any statutory approval that become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.

7.4.2 Public Shareholders of the Target Company who are either NRIs or Overseas Corporate Bodies ('OCBs') and wish to tender their Equity Shares in this Offer shall be required to submit all the applicable approvals (specific and general) from the RBI that they have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such approvals from the RBI are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such Public Shareholders in the Offer. This Offer is subject to receipt of the requisite RBI approvals, if any, for

acquisition of Equity Shares by the Acquirers from NRIs and OCBs.

- 7.4.3 As of the date of this DLoF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Equity Shares tendered pursuant to this Offer. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained and the Acquirer shall make necessary applications for such approvals.
- 7.4.4 If any of the statutory approvals, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS is published and such announcement will also be sent to SEBI, BSE and the Target Company.
- 7.4.5 In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS was published/released and such public announcement will also be sent to the BSE, the SEBI and the Target Company.
- 7.4.6 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event that, for reasons outside the reasonable control of the Acquirers, (a) any statutory or other approvals specified in this paragraph 7.4 of this DLoF including the Required Statutory Approval or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions under preferential issue or approval from shareholder at extra ordinary general meeting dated August 21, 2024 are not met. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 7.4.7 Subject to the receipt of the statutory and other approvals, the Acquirer shall complete payment of consideration within 10 (ten) Working Days from the closure of the tendering period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer in accordance with Regulation 21 of the SEBI (SAST) Regulations. Where any statutory or other approval(s) extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.
- 7.4.8 No approval from any bank or financial institutions is required for the purpose of this Offer.
- 7.4.9 In case of delay in receipt of any statutory or other approval(s) which may be required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such delay in receipt of the requisite statutory or other approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders whose Equity Shares have been accepted in the Offer, at such rate as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1** All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.2** A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the

tendering holder's acceptance of the terms and conditions of the Letter of Offer.

- 8.3** Subject to paragraph 7.4 (Statutory and Other Approvals) of this Draft Letter of Offer, all Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.4** BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer ("Designated Stock Exchange").
- 8.5** The Offer will be implemented through Stock Exchange Mechanism made available by BSE in the form of separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and SEBI's Master Circular dated February 16, 2023 bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2023/31 ("Master Circular") issued by SEBI, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.
- 8.6** BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer.
- 8.7** All the Public Shareholders who desire to tender their Equity Shares under the offer would have to approach their respective stock brokers ("**Selling Broker(s)**"), during the normal trading hours of the secondary market during the Tendering Period.
- 8.8** The Open Offer is made to the Public Shareholders as defined in this Draft Letter of Offer. While the Letter of Offer along with Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and the records of the respective Depositories at the close of business hours on the Identified Date, all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time during the Tendering Period.
- 8.9** A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker would be required to place an order / bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the order / bid, the Selling Broker will be required to mark lien on the tendered Equity Shares. Details of such Equity Shares marked as lien in the demat account of the Public Shareholders shall be provided by the depository to the Indian Clearing Corporation Limited ("Clearing Corporation").
- 8.10** In terms of the Master Circular, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only the accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder(s).
- 8.11** The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Public Shareholders' sole risk. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.12** The details of settlement number under which lien will be marked shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the Offer Opening Date.
- 8.13** The Acquirers has appointed M/s. Ratnakar Securities Private Limited ("**Buying Broker**") as his broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

Name: Ratnakar Securities Private Limited

Address: 304, Sankalp Square - 2,
Near Jalaram Mandir Crossing,
Ellsbridge, Ahmedabad - 380006

SEBI Registration No. – INZ000191735

Tel No.: 079-49005200/9898004988

Email: info@ratnakarsecurities.com

Website: www.ratnakarsecurities.com

Contact Person: Mr. Kushal Ajay Shah



- 8.14** Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way.

- 8.15** The Public Shareholders who have registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through electronic means. If Public Shareholders who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the Letter of Offer by stating such shareholder's name, address, number of Equity Shares held on Identified Date, client ID number, DP name /ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such shareholder. The Public Shareholders who have not registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
- 8.16** All Public Shareholders holding the Equity Shares in dematerialized form are eligible to participate in this Offer at any time during the period from offer opening date till the Offer Closing Date ("Tendering Period") for this Offer. Further, in accordance with the Frequently Asked Questions issued by SEBI, "FAQs - Tendering of physical shares in buyback offer/ Open Offer/ exit offer/delisting" dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, Public Shareholders holding securities in physical form are allowed to tender shares in Open Offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations, 2011. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the form of acceptance will also be available on the SEBI website: www.sebi.gov.in.
- 8.17** During the Tendering Period, the tender of the Equity Shares by the Public Shareholders in this Offer will be placed through their respective selling brokers during normal trading hours of the secondary market. The cumulative quantity tendered shall be displayed on the stock exchanges website throughout the trading session at specific intervals by the stock exchanges during Tendering Period. Modification/cancellation of orders will not be allowed during the Tendering Period.
- 8.18** Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event seller broker(s) are not registered with BSE or NSE, if the shareholder does not have any stock broker then that Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable laws and regulations. **In case Public Shareholder is not able to bid using quick UCC facility through any other BSE or NSE registered stock broker then the Public Shareholder may approach the Target Company's broker to bid by using quick UCC facility.** The Public Shareholder approaching BSE or NSE registered stock broker (with whom he does not have an account) may have to submit the following details:
- 8.19 In case of shareholder being an individual**
- (A) If Public Shareholder is registered with KYC Registration Agency ("KRA") - Forms required**
- i. Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable.
 - ii. Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)
- (B) If Public Shareholder is not registered with KRA - Forms required**
- i. CKYC form including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. KYC form Documents required (all documents self-attested):
 - iv. PAN card copy
 - v. Address proof
 - vi. Bank details (cancelled cheque)

vii. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.20 In case of Shareholder is HUF

(A) If Public Shareholder is registered with KYC Registration Agency (“KRA”) - Forms required

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KYC form documents required (all documents self-attested): Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

(B) If Public Shareholder is not registered with KRA - Forms required

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. Know Your Client (KYC) form Documents required (all documents self-attested):
- iv. PAN card copy of HUF & KARTA
- v. Address proof of HUF & KARTA
- vi. HUF declaration
- vii. Bank details (cancelled cheque)
- viii. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.21 In case of Public Shareholder other than Individual and HUF

(A) If Public Shareholder is KRA registered - Form required

- i. Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque)
- ii. Demat details (Demat master /Latest Demat statement)
- iii. FATCA, IPV, OSV if applicable
- iv. Latest list of directors/authorised signatories/partners/trustees
- v. Latest shareholding pattern
- vi. Board resolution
- vii. Details of ultimate beneficial owner along with PAN card and address proof
- viii. Last 2 years financial statements

(B) If Public Shareholder is not KRA registered: Form required

- i. KRA form
- ii. Know Your Client (KYC) form Documents required (all documents certified true copy):
 - a. PAN card copy of company/ firm/trust
 - b. Address proof of company/ firm/trust
 - c. Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)
- iv. FATCA, IPV, OSV if applicable
- v. Latest list of directors/authorised signatories /partners/trustees
- vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
- vii. Latest shareholding pattern
- viii. Board resolution/partnership declaration
- ix. Details of ultimate beneficial owner along with PAN card and address proof
- x. Last 2 years financial statements
- xi. MOA/Partnership deed /trust deed

It may be noted that, other than submission of the above forms and documents, in person verification may be required. It may be noted that the above-mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.22 Procedure for tendering Equity Shares held in dematerialized form

- 8.22.1 The Public Shareholders who are holding Equity Shares in electronic/ dematerialized form and who desire to tender their Equity Shares in this Offer shall approach their respective selling broker indicating to their Selling Broker the details of Equity Shares that such Public Shareholder intends to tender in this Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.22.2 The Selling Broker(s) would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of the Stock Exchanges. Before placing the order/bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the stock exchanges or the Clearing Corporation, prior to placing the order/bid by the selling broker.
- 8.22.3 Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the Public Shareholders.
- 8.22.4 Upon placing the order, the selling broker shall provide Transaction Registration Slip (TRS) generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.22.5 On receipt of TRS from the respective seller broker, the Public Shareholder has successfully placed the bid in the Offer.
- 8.22.6 Modification/cancellation of orders will not be allowed during the Tendering Period of the offer.
- 8.22.7 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.22.8 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 8.22.9 The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated offer.
- 8.22.10 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

8.23 Procedure for tendering Equity Shares held in physical form

- 8.23.1 In accordance with the Frequently Asked Questions issued by SEBI, 'FAQs – Tendering of physical shares in buyback offer/Open Offer /exit offer /delisting' dated February 20, 2020 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 issued by SEBI the Public Shareholders holding securities in physical form are allowed to tender Equity Shares in Offer through tender offer route. However, such tendering shall be as per the provisions of respective regulations.
- 8.23.2 Public Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Selling Broker along with complete set of documents for verification procedures to be carried out including the:
- i. The Form of Acceptance duly signed (by all Public Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
 - ii. Original share certificates;
 - iii. Valid share transfer form(s) duly filed and signed by the transferors (i.e. by all registered Public Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favour of the Acquirer's);
 - iv. Self-attested copy of Public Shareholders' PAN Card;
 - v. Any other relevant documents such as (but not limited to):
 - vi. Duly attested power of attorney if any person other than the Public Shareholder has signed the

relevant Form of Acceptance.

- vii. Notarized copy of death certificate/succession certificate or probated will, if original Public Shareholder has deceased.
 - viii. Necessary corporate authorizations, such as board resolutions etc., in case of companies
 - ix. In addition to the above, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid aadhar card, voter identity card or passport.
- 8.23.3 Selling Broker should place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Public Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., number of Equity Shares tendered etc.
- 8.23.4 After placement of order, as mentioned in paragraph 9.5.3, the Selling Broker / eligible Public Shareholder must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the Offer Closing Date (by 5 PM). The envelope should be super scribed as “Limited Open Offer”. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- 8.23.5 Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares by the Acquirers shall be subject to verification as per SEBI (SAST) Regulations, 2011 and any further directions issued in this regard. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as unphysical bids. Once, Registrar to the Offer confirms the orders it will be treated as ‘confirmed bids’.
- 8.23.6 Public Shareholders who wish to offer their physical Equity Shares in the Offer are requested to send their original documents as will be mentioned in the LOF to the Registrar to the Offer so as to reach them on or before Offer Closing Date.
- 8.23.7 In case, any person has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Offer before Closing Date.

8.24 Acceptance of Equity Shares

- 8.24.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 8.24.2 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
- 8.24.3 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirers will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.25 Procedure for tendering the shares in case of non-receipt of Letter of Offer

- 8.25.1 Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 8.25.1 A Public Shareholder may participate in the Offer by approaching their Selling Broker and tender Equity Shares in the Offer as per the procedure mentioned in the Draft Letter of Offer.
- 8.25.1 The Draft Letter of Offer will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company on the Identified Date.
- 8.25.1 In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website i.e. www.sebi.gov.in or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.26 Settlement Process

- 8.26.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the designated stock exchanges to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- 8.26.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the acquisition Window Circulars.
- 8.26.3 For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Public Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Public Shareholders. The Public Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- 8.26.4 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective selling broker's settlement accounts for releasing the same to their respective shareholder's account onwards.
- 8.26.5 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.
- 8.26.6 The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the designated stock exchange and the Clearing Corporation from time to time.
- 8.26.7 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- 8.26.8 Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholder(s) directly by Registrar to the Offer.
- 8.26.9 The direct credit of Equity Shares shall be given to the demat account of Acquirers as indicated by the Buying Broker.
- 8.26.10 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirers.
- 8.26.11 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered shareholders'/ unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the

- Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Offer by the Public Shareholders holding Equity Shares in the physical form.
- 8.26.12 In case of partial or non-acceptance of orders, the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective selling broker and the selling broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 8.26.13 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tended under the Offer.
- 8.26.14 If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- 8.26.15 Public Shareholders who intend to participate in the Offer should consult their respective selling broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the selling broker upon the Public Shareholders for tendering Equity Shares in the offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 8.26.16 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

9. Note on taxation

THE SUMMARY OF THE TAX CONSIDERATIONS ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 ("INCOME TAX ACT") AND THE REGULATIONS THEREUNDER THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. General:

- a) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) as also income received by such persons in India. In case of shares of a company, the Source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "suits" of the shares is where a company is "incorporated" and where its shares can be transferred.
- b) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-residents on transfer of such shares should be taxable in India under the Income Tax Act.
- c) Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- d) The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- e) The summary of income-tax implications on tendering of listed equity shares on recognised stock exchanges in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

1. Classification of Shareholders: Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
 - i. Individuals, Hindu Undivided Family (HUF), Association of Persons ("AOP") and Body of Individuals ("BOI")
 - ii. Others
- b) Non-Resident Shareholders being:
 - i. Non-Resident Indians (NRIs)
 - ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - iii. Others:
 - Company
 - Other than company

2. Classification of Income: Shares can be classified under the following two categories

- a) Shares held as investment (Income from transfer taxable under the head "Shares held as investment ("Capital Gains")
- b) Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e., stock-in-trade).

- 3. Share held as investment:** As per the provisions of the Income Tax Act, where the shares are held as investments (i.e., capital asset), income from Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act.
- 4. Period of holding:** Depending on the period for which the shares are held, the gains will be taxable as “short term capital gain” or “long-term capital gain”:
 - a) In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a “short term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“STCG”).
 - b) Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a “long term capital asset”, and accordingly the gains arising therefrom should be taxable as “long term capital gains” (“LTCG”).
- 5. Tendering of Shares in the Offer through a Recognized Stock Exchange in India:** Where a transaction for transfer of such equity shares (i.e., acceptance under an open offer) is transacted through recognised stock exchanges and is chargeable to Securities Transaction Tax (“STT”), then the taxability will be as under (for all categories of shareholders):
 - a) The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after April 1, 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
 - b) The gain accrued on such equity shares till January 31, 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before February 1, 2018 shall be the higher of the following:
 - i. Actual cost of acquisition; or
 - ii. Lower of: (A) fair market value, and (B) full value of consideration received or accruing as a result of the transfer of the shares. Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on January 31, 2018.
 - c) After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs.100,000, will be taxable at 10.00% without allowing the benefit of indexation.
 - d) However, section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after October 1, 2004 and securities transaction tax (‘STT under Chapter VII of Finance (No. 2) Act, 2004’) was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated October 1, 2018, providing certain situations wherein section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
 - i. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognised stock exchanges of India, was made through a preferential issue, subject to certain exceptions;
 - ii. Where transaction for acquisition of existing listed equity share in a company was not entered through recognised stock exchanges of India, subject to certain exceptions;

- iii. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognised stock exchanges and ending on the date on which the company was again listed on recognised stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder. The notification inter alia provides certain exceptions to the above situations where the provisions of Section 112A will not apply.
 - e) Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20.00%. However, for a resident shareholder, an option is available to pay tax on such LTCG under section 112 at either 20.00% with indexation or 10.00% without indexation.
 - f) STCG arising from such transaction will be subject to tax @ 15.00% under Section 111A of the Income Tax Act.
 - g) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act. In addition to the above LTCG or STCG tax, applicable Surcharge, Health and Education Cess are leviable.
 - h) Minimum alternate tax ("MAT") implications will get triggered in the hands of a resident corporate shareholder. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
 - i) Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Income Tax Act.
- 6. Shares held as Stock-in-Trade:** If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterised as business income and taxable under the head "Profits and Gains from business and profession".

a. Resident Shareholders:

Profits of:

- a. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- b. Domestic companies having total turnover or gross receipts during the previous year 2017-18 not exceeding Rs. 400 crore will be taxable @ 25.00% from AY 2020-21.
- c. Domestic Companies opted for new Tax regime u/s 115BAA of Income Tax Act ("ITA") will be taxable at 22.00%
- d. For persons other than stated in (A), (B) and (C) above, profits will be taxable @ 30.00%.

No benefit of indexation by virtue of period of holding will be available in any case.

b. Non Resident Shareholders

(A) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the Income Tax Act.

(B) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates
- For foreign companies, profits will be taxed in India @ 40.00%

- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30.00%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and NonResident Shareholders.

7. Tax Deduction at Source

(a) In case of Resident Shareholder

In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

(b) In case of Non-resident Shareholders

- (i) In case of FIIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs.
- (ii) In case of other non-resident Shareholders (other than FIIs) holding Equity Shares of the Target Company: Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

Since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident Shareholder. The non-resident Shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately.

The non-resident Shareholders must file their tax return in India inter alia considering gains arising pursuant to this Offer in consultation with their tax advisors. The non-resident Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

8. Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

(a) Surcharge

- i) In case of domestic companies other than companies opted for new tax regime u/s 115BAA of ITA: Surcharge @ 12.00% is leviable where the total income exceeds Rs. 10 crore and @ 7.00% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- ii) In case of domestic companies opted for new tax regime u/s 115BAA of ITA : Flat Surcharge of 10.00% is leviable on total income of the company.

- iii) In case of companies other than domestic companies: Surcharge @ 5.00% is leviable where the total income exceeds Rs. 10 crore and @ 2.00% where the total income exceeds Rs.1 crore but less than Rs.10 crore.
- iv) In case of individuals, HUF, AOP, BOI (Who opted for Old Tax Regime and disclosing sale of shares as business income): Surcharge @10.00% is leviable where the total income exceeds Rs. 50 lacs but less than Rs.1 crore, @15.00% where the total income exceeds Rs.1 crore but less than Rs. 2crore, @25.00% where the total income exceeds Rs. 2 crore but less than Rs. 5 crore and @37.00% where the total income exceeds Rs. 5 crore.
- v) In case of individuals, HUF, AOP, BOI (Who opted for New Tax Regime and disclosing sale of shares as business income): The surcharge rate will be same as mentioned in (iv) above subject to maximum cap of 25.00%
- vi) In case of individuals, HUF, AOP, BOI (Disclosing sale of shares as Capital Gain): The surcharge rate will be applicable same as mentioned in (iv) above subject to maximum cap of 15.00% 52
- vii) In case of Firm and Local Authority: Surcharge @12.00% is leviable where the total income exceeds Rs. 1 crore.

(b) Cess

Health and Education Cess @ 4.00% is currently leviable in all cases.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.

THE ACQUIRER AND THE MANAGER TO THE OPEN OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OPEN OFFER.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection from 10.30 A.M. to 1.00 P.M. on any Working Day, except Saturdays, Sundays and Holidays until the closure of the Offer at the office of the Manager to the Offer to the Offer – Kunvarji Finstock Private Limited., Block B, First Floor, Siddhi Vinayak Towers, Off S.G. Highway Road, Mouje Makarba, Ahmedabad- 380051:

1. The Certificate of Incorporation along with the Memorandum and Articles of Association of the Target Company.
2. Mr. N Ganesan (Membership No.: 023700), Proprietor at M/s. N. Ganesan & Co, Chartered Accountants (Firm Membership No.: 025530S) vide his certificate dated July 26,2024 certified that the Acquirer have sufficient resources to meet the fund requirement for the obligation of Open Offer of the Target Company.
3. Audited Financial Reports of the Target Company for last three years.
4. Copy of Escrow Agreement between the Acquirers, Banker to the Offer and Manager to the Offer.
5. Copy of Bank Statement from Kotak Mahindra Bank Limited confirming the cash deposit of ₹ **5,74,51,680/- (Rupees Five Crore Seventy Four Lakh Fifty One Thousand Six Hundred and Eighty Only)**; which is 100% of the consideration in the Escrow Account.
6. Copy of Public Announcement filed on July 29, 2024 and published copy of the Detailed Public Statement, which appeared in the newspapers on August 05, 2024.
7. A copy of the recommendation made by the Committee of Independent Directors of the Target Company.
8. Memorandum of Understanding between the Acquirers and Kunvarji Finstock Private Limited ('Manager

to the Offer’).

9. Due diligence certificate dated August 12, 2024, submitted to SEBI by Kunvarji Finstock Private Limited (“Manager to the Offer”).
10. Copy of SEBI observation letter, if any.
11. Consent letter from M/s. Ratnakar Securities Private Limited (“Buying Broker”).
12. Copy of consent letter of M/s. Integrated Registry Management Services Private Limited. (‘Registrar to the Offer’).
13. Certificate dated July 29, 2024, issued by CS Shreyansh M Jain Registered Valuer, (SFA) registered with IBBI having Registration Number-IBBI/RV/03/2019/12124, having its office at Kauttilya, Office No. 102, F.P. No. 327, Beside Rajni House, Khatodara, Surat-395002, Gujarat, India, Email: rvshreyanshmjain@gmail.com(C) +91 95582 19019), certifying the computation of the Offer Price.

11. DECLARATION BY ACQUIRER

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer has relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, accept full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011. The Acquirer will be responsible for ensuring compliance with the SEBI (SAST) Regulations, 2011.

For and on behalf of the Acquirer

J Rafiq Ahmed

Date: August 12,2024

Place: Chennai

Encl:

1. Form of Acceptance cum Acknowledgement
2. Blank Share Transfer Deed(s) in the case of shares held in physical mode.

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT ('FOA')

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

All terms and expressions used herein shall have the same meaning as described thereto in this DLoF.

| | |
|---|--|
| Offer Opens / Tendering Period Starts on | |
| Offer Closes / Tendering Period Ends on | |

FOR OFFICE USE ONLY

| | |
|--|--|
| Acceptance Number | |
| Number of Equity Shares offered | |
| Number of Equity Shares accepted | |
| Purchase Consideration in Rupees (Rs.) | |
| Cheque No. / Pay Order No. / Demand Draft No | |

Shareholder(s) details:

Name: _____

Full Address: _____

Dist: _____; State: _____; Pin code: _____

Tel. No. with STD Code: _____; Mobile No. _____

To,

M/s Integrated Registry Management Services Private Limited

Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road,

T Nagar, Chennai – 600 017, India

CIN: U74900TN2015PTC101466

Contact Person: Mr. S Yuvaraj.

Tel No.: +91- 044 - 28140801 to 28140803

E-mail Address: yuvraj@integratedindia.in

SEBI Reg. No. : INR000000544

Sub.: Open Offer for the acquisition of **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** Equity Shares of "KOTHARI INDUSTRIAL CORPORATION LIMITED" representing 26.00% (Twenty-Six) of the Expanded voting share capital at a price of ₹ **14.33 /-** (**Rupees Fourteen and thirty-three Paise only**) per Equity Share by the Acquirer under SEBI (SAST) Regulations, 2011.

Dear Sir / Madam,

I/We refer to the DLoF dated August 12, 2024, for acquiring the Equity Shares held by me/us in the Target Company.

I/We, the undersigned, have read the DLoF and understood its contents including the terms and conditions as mentioned therein.

For Equity Shares held in physical form:

I/We accept the Offer and enclose the original Equity Share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

| Sr. No. | Folio No. | Certificate No. | Distinctive No(s) | | No. of Equity Shares |
|---------|-----------|-----------------|-------------------|----|----------------------|
| | | | From | To | |
| | | | | | |

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We note and understand that the original Equity Share Certificate(s) and valid share Transfer Deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pay the purchase consideration as mentioned in the DLoF.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

Enclosures (please provide the following and ✓ whichever is applicable):

- i. Original Equity Share certificates
- ii. Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- iii. Form of Acceptance – signed by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
- iv. Photocopy of Transaction Registration Slip (TRS) Self-attested copy of PAN card of all the transferor(s)
- v. Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
- vi. Any other relevant document (but not limited to) such as power of attorney (if any person apart from the shareholder has signed the FOA), corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable. Shareholders of the Target Company holding physical shares should note that physical shares will not be accepted unless the complete set of documents are submitted.

For all Public Shareholders (holding Equity Shares in demat or physical form):

I / We confirm that the Equity Shares which are being tendered herewith by me/us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offer, if any, declared hereafter and that I/we have obtained all the necessary consents to sell the Equity Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares for the Open Offer and that I/we am/are legally entitled to tender the Equity Shares for the Open Offer. I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I/We agree that the Acquirer will pay the consideration as per the secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this FOA. I/We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We give my/our consent to file form FCTRS, if applicable, on my/our behalf. I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to

my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to affect the Open Offer in accordance with the SEBI (SAST) Regulations, 2011.

I / We am/are not debarred from dealing in Equity Shares.

I / We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the offer and in terms of the DLoF and I/we further authorize the Acquirer to return to me/us in the demat account/ share certificate(s) in respect of which the open offer is not found valid / not accepted without specifying the reasons thereof. I/We further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

In case of demat shareholders, I / We note and understand that the Equity Shares would be kept in the pool account of my/our broker and the lien will be marked by Clearing Corporation until the settlement date whereby the Acquirer makes payment of purchase consideration as mentioned in the DLoF. In case of physical shareholders, I / We note and understand that the shares/ original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration as mentioned in the DLoF or the date by which original share certificate(s), transfer deed(s) and other documents are returned to the shareholders, as the case may be.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For NRIs/OCBs/ FIIs and sub-accounts/other non-resident Shareholders:

I/We confirm that my/our status is (√ whichever is applicable):

| Individual | Foreign Company | FIIs / FPIs-Corporate | FIIs / FPIs-Others | FVCI |
|--------------------------|-------------------------|------------------------------|---------------------------|-----------------------------------|
| Foreign Trust | Private Equity Fund | Pension / Provident Fund | Sovereign Wealth Fund | Partnership / Proprietorship Firm |
| Financial Institution | NRIs / PIOs-Repatriable | NRIs / PIOs- Non-Repatriable | OCBs | QFI |
| Others (Please Specify): | | | | |

I/We confirm that my/our investment status is (√ whichever is applicable):

FDI Route / PIS Route / Any Other (Please Specify):

I/We confirm that the equity shares tendered by me/us are held on (√ whichever is applicable): Repatriable basis / Non-repatriable basis

I/We confirm that (√ whichever is applicable):

No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the equity shares are held under general permission of the RBI

Copies of all approvals required by me for holding equity shares that have been tendered in this Offer are enclosed herewith Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (√ whichever is applicable):

No RBI, FIPB or other regulatory approval is required by me for tendering the equity shares in this Offer. Copies of all approvals required by me for tendering equity shares in this Offer are enclosed herewith.

In case of shareholders holding equity shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the Depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act.

Yours faithfully,

| Signed & Delivered by | Full Name(s) of the Shareholder(s) | Signature(s) | PAN |
|--------------------------|------------------------------------|--------------|-----|
| Sole / First Shareholder | | | |
| Second Shareholder | | | |
| Third Shareholder | | | |

Note: In case of joint holdings, all holders must sign. In case of body corporate, the rubber stamp should be affixed and necessary board resolution must be attached.

Place: _____ Date: _____

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS OPEN OFFER SHOULD BE ADDRESSED TO THE REGISTRAR OF THE OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR DP ID/CLIENT ID (IF YOU ARE HOLDING SHARES IN DEMATERIALIZED FORM) OR FOLIO NO (IF YOU ARE HOLDING SHARES IN PHYSICAL FORM).

-----Tear along this line-----

ACKNOWLEDGEMENT SLIP

Received from Mr./Mrs. _____ a bid form for _____
paid up Equity Shares of KOTHARI INDUSTRIAL CORPORATION LIMITED at a bid price of _____
per share

| DEMAT SHAREHOLDER | | PHYSICAL SHAREHOLDER | |
|-------------------|--|-------------------------|--|
| DP ID NO. | | TRANSFER FORM AND SHARE | |
| CLIENT ID NO | | CERTIFICATES WITH NOS. | |

| ACKNOWLEDGEMENT | |
|--------------------------|--|
| UNIQUE CLIENT CODE (UCC) | |
| APPLICATION NUMBER | |
| DATE OF RECEIPT | |
| SIGNATURE OF OFFICIAL | |

Authorized Signatory Stamp:

Date of Receipt: Place:

Registrar to the Offer

| |
|--|
|  M/s Integrated Registry Management Services Private Limited Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, India. CIN: U74900TN2015PTC101466 Contact Person: Mr. S Yuvaraj. Tel No.: +91- 044 - 28140801 to 28140803 E-mail Address: yuvraj@integratedindia.in SEBI Reg. No. : INR000000544 |
|--|

Form No. SH-4 - Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution:

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L74110TN1970PLC005865

Name of the company (in full): KOTHARI INDUSTRIAL CORPORATION LIMITED

Name of the Stock Exchange where the company is listed, (if any): Bombay Stock Exchange (BSE)

DESCRIPTION OF SECURITIES:

| Kind/ Class of securities (1) | Nominal value of each unit of security (2) | Amount called up per unit of security (3) | Amount paid up per unit of security (4) |
|-------------------------------------|--|---|---|
| Equity Shares | 5/- | 5/- | 5/- |
| No. of Securities being Transferred | | Consideration received (Rs.) | |
| In figures | In words | In words | In figures |
| | | | |
| Distinctive Number | From | | |
| | To | | |
| Corresponding Certificate Nos. | | | |

Transferors' Particulars

Registered Folio Number:

Name(s) in full

Signature(s)

1. _____

2. _____

3. _____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____ Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

Transferee's Particulars

| Name in full | Father's/ Mother's / Spouse Name | Address & E-mail id | Occupation | Existing folio No., if any. | Signature |
|--------------|--|---------------------|------------|--------------------------------|-----------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | | |
| | | | | | |
| | | | | | |

Folio No. Transferee

Specimen Signature of Transferee

Value of stamp affixed: Rs.

Enclosures:

(1) Certificate of shares or debentures or other securities

(2) If no certificate is issued, letter of allotment.

(3) Others, specify _____

Stamps

For office use only

Checked by _____

Signature tallied by _____

Entered in the Register of Transfer on _____ vide Transfer no _____ Approval Date _____

Power of attorney/Probate /Death Certificate/ Letter of Administration

Registered on _____ at no. _____

On the reverse page of the certificate

Name of the Transferor

Name of the Transferee

No. of shares

Date of Transfer

Signature of the Authorized Signatory