

Public Announcement under regulations 3(1) and 4 read with Regulation 13, 14 and 15(1) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended thereof.

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF
KOTHARI INDUSTRIAL CORPORATION LIMITED

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CIN: L74110TN1970PLC005865

Open Offer for acquisition of upto 1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven) fully paid up equity shares having a face value of ₹ 5/- (Rupees Five only) each (*"Offer Shares"*) representing 26% (twenty six percent) of the Expanded Voting Equity Share Capital (as defined below) of Kothari Industrial Corporation Limited (*"Target Company"*), from public shareholders (as defined below) of the Target Company, by Mr. J. Rafiq Ahmed ('Acquirer 1') (*hereinafter referred to as "Acquirer"*) pursuant to and in compliance with the requirements of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (*"SEBI (SAST) Regulations, 2011"*) (*"Offer" or "Open Offer"*).

This Public Announcement (*"PA"*) is being issued by **Kunvarji Finstock Private Limited** (*"Manager to the Offer"*) for and on behalf of the Acquirer to the Public Shareholders (as defined below) of the Target Company pursuant to and in compliance with the provisions of Regulations 3 (1) and 4 read with Regulations 13, 14 and 15(1), and other applicable regulations of the SEBI (SAST) Regulations, 2011.

Definition:

For the purposes of this PA, the following term would have the meanings assigned to them below:

"Acquirer" means Mr. J Rafiq Ahmed ('Acquirer 1') (hereinafter referred to as "Acquirer");

"Equity Shares" means the fully paid-up equity shares of the Target Company of face value of Rs. 5/- (Rupees Five Only) each;

"Existing Voting Share Capital" means the present fully paid-up equity share capital and voting capital i.e. 1,24,83,885 Equity Shares;

"Expanded Voting Equity Share Capital" shall mean 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.

"Open Offer / Offer" shall mean the open offer made by the Acquirer and PAC to the public shareholders of the Target Company for the acquisition of 26% of the Emerging Voting Capital in accordance with the Regulations.

"Person deemed to be Acting in Concert (PAC)" No person is acting in concert with the Acquirer for the purposes of this Open Offer.

"Proposed Preferential Issue" means the proposed preferential issue approved 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 of face value of Rs. 5/- each at an issue price of Rs. 14.33/- per equity share.

"Public Shareholders" means all the equity shareholders of the Target Company other than the Acquirer

"Stock Exchange" means the BSE Limited (BSE);

“Tendering Period” has the meaning ascribed to it under SEBI (SAST) Regulations. Means the period within which shareholders may tender their shares in acceptance of an open offer to acquire shares made under these regulations

“Working Day” means any working day of the Securities and Exchange Board of India.

1. OFFER DETAILS

- **Offer Size:** The Acquirer hereby make this Offer to the Public Shareholders to acquire up to **1,10,45,811 (One Crore Ten Lakh Forty Five Thousand Eight Hundred and Eleven)** Equity Shares of face value ₹ 5/- (Rupees Five Only) representing 26% of the Expanded Voting Share Capital of the Target Company, at a price of **₹ 14.33 /- (Rupees Fourteen and thirty three Paise only)** per Offer Share 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”) subject to the terms and conditions mentioned in this PA and to be set out in the Detailed Public Statement (“DPS”) and the Letter of Offer (“LoF”) that are proposed to be issued in accordance with the SEBI (SAST) Regulations, 2011;
- **Offer Price:** The Open Offer is made at a price of **₹ 14.33 /- (Rupees Fourteen and thirty three Paise only)** per Offer Share (“Offer Price”). The Equity Shares of the Target Company are not frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. The Offer Price has been determined in accordance with the provisions of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011. Assuming full acceptance under this Open Offer, the aggregate consideration payable to the Public Shareholders in accordance with the SEBI (SAST) Regulations, 2011 will be **₹ 15,82,86,472/- (Rupees Fifteen Crore Eighty Two Lakh Eighty Six Thousand Four Hundred and Seventy Two Only)** (“Offer Size”).;
- **Mode of payment:** The Offer Price will be paid in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011;
- **Type of Offer (Triggered Offer / ~~Voluntary Offer~~ / ~~Competing Offer~~):** This Open Offer is a Triggered Open Offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulation, 2011, pursuant to the issue of preferential shares. This Offer is made by the Acquirer to the Public Shareholders of the Target Company pursuant to meeting of The Board of Directors of the Target Company held on July 29, 2024. The board has 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/allotted to Acquirer.
- 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.

2. TRANSACTIONS WHICH HAS TRIGGERED THE OPEN OFFER OBLIGATIONS (“UNDERLYING TRANSACTION”)

- 2.1 The board of directors of the Target Company at their meeting held on July 29,2024, has authorized a preferential allotment of 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 **Rs. 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 annual general meeting to be held on August 21,2024.

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. 42,99,00,000/- (Rupees Forty Two Crore Ninety Nine 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.

Type of Transaction (Direct/ Indirect)		Direct Acquisition
Mode of Transaction (Agreement/ Allotment/market purchase)		Preferential Issue. Resolution passed at the meeting of Board of the Target Company held on July 29, 2024 for issue of 3,00,00,000 Equity Shares of face value of Rs. 5 each at premium of Rs. 9.33/- each on Preferential basis under section 62 of Companies Act 2013 and in terms of SEBI (ICDR) Regulations, 2018 subject to statutory approvals.
Equity Shares / Voting rights acquired/ proposed Acquired/ Proposed to be Acquired	Number	Preferential Allotment of 2,00,00,000 Equity Shares (Two Crore)
	% of voting share capital*	47.08 % (Forty Seven Point Zero Eight Percent) of the Expanded Voting Share Capital
Total Consideration for Equity Shares / voting rights acquired / Voting Rights Acquired (₹)		Rs. 14.33/- per Equity Share Rs. 28,66,00,000 /- (Rupees Twenty Eight Crore Sixty Six Lakh Only);
Mode of payment (Cash / Securities)		Cash
Regulations which has triggered		Regulations 3(1) & 4 of SEBI (SAST) Regulations, 2011

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

Note: 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

Upon completion of the aforementioned preferential allotment of equity shares to the Acquirer, his total holding in the Target Company would exceed 25% of the total voting rights of the Target Company being the threshold set out in Regulation 3(1) of the Regulations. As such this Offer is being made under Regulation 3(1) of the Takeover Regulations.

3. DETAILS OF THE ACQUIRER

Name of Acquirer	Address	Name(s) of persons in control/promoters of acquirers/PAC where Acquirers/PAC are companies	Name of the Group if any, to which Acquirer belong to	Pre Transaction Shareholding Number and Percentage of Total Present Share Capital	Proposed Shareholding after acquisition of shares which triggered open offer Number and % of Total Expanded Voting Equity Share Capital	Any other interest in the Target Company
J Rafiq Ahmed	25/8, 2nd Street, Perambur High Road, Perambur Barracks, Chennai-600012, Tamil Nadu, India,	Not Applicable	Not Applicable	Nil	<ul style="list-style-type: none"> • Number 2,00,00,000 equity shares • % of Total Expanded Voting Equity Share Capital 47.08%* 	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.
- **#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 Acquirers 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

4. DETAILS OF SELLING SHAREHOLDER

Not applicable as the open offer is being pursuant to the Preferential Issue.

5. TARGET COMPANY


Name	Kothari Industrial Corporation Limited
Corporate Identification Number	L74110TN1970PLC005865
Registered Office Address	114, Kothari Blds, Nungambakkam High Rd Nungambakkam, Chennai, Tamil Nadu, India, 600034
Contact Details	044-28334565
Stock Exchanges where listed	The Equity Shares of the Target Company are listed on BSE Limited;
Scrip Symbol for BSE Limited	KOTIC
Scrip Code for BSE Limited	509732
International Securities Identification Number (ISIN)	INE972A01020

6. OTHER DETAILS

- This PA is made in compliance with Regulation 13(1) of the SEBI (SAST) Regulations, 2011;
- The DPS to be issued pursuant to this PA in accordance with Regulation 13(4), Regulation 14(3), and Regulation 15(2) of the SEBI (SAST) Regulations, 2011, shall be published in newspapers, within 5 (Five) Working Days of this PA, i.e. on or before August 05th 2024 . The DPS shall, inter alia, contain details of the Offer including detailed information on the Offer Price, the Acquirers, the Target Company, background to the Offer, relevant conditions under the SPA, statutory approvals required for this Offer, details of financial arrangements, and such other terms and conditions as applicable to this Offer;
- Further, this Offer is subject to the terms and conditions mentioned in this PA, the DPS and the LoF that are proposed to be issued in accordance with the SEBI (SAST) Regulations, 2011;
- The Underlying Transaction is subject to the receipt of approval of the equity shareholders of the Target Company.
- The Acquirer accepts full responsibility for the information contained in this PA. The Acquirer undertakes that he is fully aware of and shall comply with his obligations under the SEBI (SAST) Regulations, 2011 and has adequate financial resources to meet their obligations under this Offer. The Acquirer has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
- The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011;
- This Offer is not being issued pursuant to a Competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011;
- All information stated in this PA relating to the Target Company has been obtained from publicly available sources. Accordingly, the accuracy of the information has not been independently verified by the Manager to the Offer.

- In this PA, all references to “INR” or “Rs” “₹” are references to the Indian Rupee and any discrepancy in figures as a result of multiplication or totalling is due to rounding off.

ISSUED ON BEHALF OF ACQUIRER BY MANAGER TO THE OFFER

	Name and Registered Office Address	Kunvarji Finstock Private Limited Block B, First Floor, Siddhi Vinayak Towers, Off S. G. Highway Road, Mouje Makarba, Ahmedabad, Gujarat - 380051
	Corporate Office Address	1218-20, 12th Floor, Summit Business Bay, Opp. PVR Cinema, Near Western Express Highway – Metro Station, Andheri(E), Mumbai, Maharashtra - 400093
	Contact No.	+91 22 69850000 / +91 79 6666 9000
	Website :	https://kunvarji.com/merchant-banking/
	SEBI Reg. No.	INM000012564
	Contact Person	Mr. Jiten Patel/ Ms. Sonia Kahlon
	Email ID	mb@kunvarji.com
	Investor Grievance ID	MB.investorgrievances@kunvarji.com

For and on behalf of the Acquirer

J Rafiq Ahmed (Acquirer)
Date : July 29, 2024
Place: Chennai