

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer is being sent to you as a Public Shareholder(s) of Coromandel Engineering Company Limited ("Target Company" or "Target" or "CECL"). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Open Offer or the Registrar to the Offer (both as defined herein). In case you have sold your equity shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement ("Acceptance Form") and the Transfer Deed(s)/Securities Transfer Form (Form SH-4) to the Member of Stock Exchange through whom the said sale was effected.

#### OPEN OFFER ("OFFER") BY

##### Accord Distillers & Brewers Private Limited ("Acquirer 1")

Registered office at No 29, Tilak Street, T Nagar, Chennai – 600017 Tamil Nadu, India;  
Tel. No.: +91 81228 50799; E-mail: [accordgroup.director@gmail.com](mailto:accordgroup.director@gmail.com) Fax: NA

##### Teyro Labs Private Limited ("Acquirer 2")

Registered Office at No 29, Tilak Street, T Nagar, Chennai – 600017 Tamil Nadu, India;  
Tel. No.: +91 81228 50799 ; E-mail: [accordgroup.director@gmail.com](mailto:accordgroup.director@gmail.com) Fax: NA

##### Jam Hotels and Resorts Private Limited ("Acquirer 3")

Registered Office at No. 310, 3rd Floor, Rear Entrance "Swiss Complex", 33, Race Course Road, Bangalore – 560001, Karnataka, India;  
Tel. No.: +91 81228 50799; E-mail: [accordgroup.director@gmail.com](mailto:accordgroup.director@gmail.com) Fax: NA

##### Mr. Sundeeep Anand Jegath Rakshagan ("Acquirer 4")

Address: No 1, First Main Road, Kasthuribai Nagar, Chennai, Tamil Nadu- 600 020, India;  
Tel. No.: +91 81228 50799; E-mail: [director.accordgroup@gmail.com](mailto:director.accordgroup@gmail.com) Fax: NA

No person is acting in concert with the Acquirers for this Offer

#### TO ACQUIRE

up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two hundred and Forty Four) fully paid Equity Shares, representing 25.48% (Twenty five point forty eight percentage) of the Voting Share Capital of Coromandel Engineering Company Limited, at an offer price of ₹ 13.50/- (Rupees Thirteen and Paise Fifty only) ("Offer Price") per Equity Share ("Offer Shares") aggregating to Rs 11,43,21,294/- (Rupees Eleven Crores Forty Three Lakhs Twenty One Thousand Two Hundred and Ninety Four only), payable in cash, made by all the Acquirers, in accordance with the provisions of Regulations 3(1) and 4 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments ("SEBI (SAST) Regulations") thereto, from the public shareholders of:

#### COROMANDEL ENGINEERING COMPANY LIMITED (CIN: L74910TN1947PLC000343)

Registered & Corporate Office: Parry House, V Floor, 43, Moore Street, Chennai 600 001, India

Tel. No.: +91 44 25301700; Fax No: NA; Email id: [coromandelengg@cec.murugappa.com](mailto:coromandelengg@cec.murugappa.com); Website: [www.coromandelengg.com](http://www.coromandelengg.com)

*\*As per the SEBI (SAST) Regulations, the Open Offer under Regulations 3 & 4 must be given for at least 26.00% of the voting share capital of the Target Company. However, the shareholding of the Public Shareholders, as on the date of the Public Announcement, is 25.48% and, therefore, the Offer Shares represent 25.48% of the voting share capital of the Target Company.*

#### ATTENTION:

1. This Offer is being made by the Acquirers pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
2. This Offer is subject to receipt of statutory approvals, as mentioned in paragraph VII-D. To the best of the knowledge of the Acquirers, there are no other statutory approvals required for the Offer. If any statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such statutory approvals.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
4. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirers, at any time prior to the commencement of the one working day before the commencement of the Tendering Period i.e., Tuesday, January 16, 2024. The same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
5. **There has been no competing offer as on the date of this Letter of Offer.** If there are competing offers at any time hereafter, the offers under all subsisting bids will open and close on the same date. There is no Person Acting in concert (PAC) with the acquirers for the purpose of this offer.
6. The Acquirers shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (as defined below) from the date of closure of the Tendering Period (as defined below), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
7. A copy of the Public Announcement ("PA"), Detailed Public Statement ("DPS"), Draft Letter of Offer ("DLOF"), Corrigendum, 1, Corrigendum 2 and this Letter of Offer ("LOF") along with the Form of Acceptance cum Acknowledgement is also available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

#### MANAGER TO THE OPEN OFFER



##### Fortress Capital Management Services Private Limited

Daryanagar House, 69, Maharshi Karve Road, Marine Lines, Mumbai - 400 002,

Tel No.: (91 22) 4340 7900/2200 7973; Fax No.: N/A

Website: [www.fortresscapital.in](http://www.fortresscapital.in);

Contact Person: Mr. Hitesh Doshi Email: [hiteshdoshi@fortress.co.in](mailto:hiteshdoshi@fortress.co.in);

SEBI Registration No.: INM000011146;

CIN No: U67120MH2004PTC145815

#### REGISTRAR TO THE OFFER



##### Bigshare Services Pvt. Ltd.

##### Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business park, Next to Ahura Center, Mahakali Caves Road, Andheri (East) Mumbai-400093, India.

Tel No.: 022 6263 8200; Fax: N/A

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Contact Person: Mr. Maruti Eate Email: [openoffer@bigshareonline.com](mailto:openoffer@bigshareonline.com)

SEBI Registration Number: INR000001385

CIN: U99999MH1994PTC076534

OFFER OPENS ON: Tuesday, January 16, 2024

OFFER CLOSES ON: Tuesday, January 30, 2024

**TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER**

<b>Sr No.</b>	<b>Name of Activity</b>	<b>Original Schedule of activities (Day and Date) # (as disclosed in DLOF)</b>	<b>Revised Schedule of activities (Day and Date)</b>
1.	Issue of Public Announcement (PA)	Friday, September 29, 2023	Friday, September 29, 2023
2.	Publication of this DPS in newspapers	Monday, October 9, 2023	Monday, October 9, 2023
3.	Filing of the DLOF with SEBI	Monday, October 16, 2023	Monday, October 16, 2023
4.	Last date for the public announcement of competing offer(s)	Tuesday, October 31, 2023	Tuesday, October 31, 2023 @
5.	Last date for receipt of comments from SEBI on the draft Letter of offer	Tuesday, November 7, 2023	Monday, January 1, 2024 **
6.	Identified Date (“Identified Date”) *	Thursday, November 9, 2023	Tuesday, January 2, 2024
7.	Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Friday, November 17, 2023	Tuesday January 9, 2024
8.	Last date 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	Tuesday, November 21, 2023	Friday, January 12, 2024
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Wednesday, November 22, 2023	Monday, January 15, 2024
10.	Date of Publication of opening of the Offer public announcement, in the newspapers in which this DPS has been published	Thursday, November 23, 2023	Monday, January 15, 2024
11.	Date of commencement of the Tendering Period (“Offer Opening Date “)	Friday, November 24, 2023	Tuesday, January 16, 2024
12.	Date of closure of the Tendering Period (“Offer Closing Date”)	Thursday, December 7, 2023	Tuesday, January 30, 2024
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or return of Equity Shares to the Shareholders of the Target Company	Thursday, December 21, 2023	Monday, February 12, 2024
14.	Last date for filing the post- Offer report with SEBI	Friday, December 29, 2023	Tuesday, February 20, 2024
15.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	Friday, December 29, 2023	Tuesday, February 20, 2024

\*\* Actual date of receipt of SEBI’s final observations on the DLOF.

\* Date falling on the 10<sup>th</sup> Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the names of the Public Shareholders to whom the Letter of Offer would be sent. All the public shareholders (registered or unregistered) of the Equity Shares (except the Acquirers and the parties to the SPA) are eligible to participate in this Offer at any time before the closure of this Offer.

# The original schedule of activity was indicative (prepared based on the timelines provided under the SEBI (SAST) Regulations) and was subject to receipt of requisite approvals from various statutory/ regulatory authorities.

@ There has been no competing offer as of the date of this Letter of Offer

## RISK FACTORS

**The risk factors set forth below pertain to this Offer, the Underlying Transaction contemplated under the SPA and association with the Acquirers, and do not pertain to the present or future business or operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in the Offer, but are merely indicative. Public Shareholders are advised to consult their legal advisor, stock broker and investment consultant and/ or tax advisors, for analyzing all the risks with respect to their participation in the Offer.**

For capitalised terms used herein please refer to the section on Key Definitions set out below

### **1. Risk in association with the Transaction and Offer**

- 1.1 To the best of the knowledge of the Acquirers, no statutory approvals are required, however; it will be subject to all statutory approvals that may become applicable at a later date. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- 1.2 In the event that (a) the statutory or regulatory approvals are not received in a timely manner, or (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of the Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.
- 1.3 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 1.4 The Equity shares tendered in the Offer will be held in trust in the pool account of the broker / in trust by the Clearing Corporation / Registrar to the Offer until completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirers do not make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after completion of the Offer and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
- 1.5 Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of shares under the offer and dispatch of consideration gets delayed. The tendered shares and documents would be held in trust by the Registrar to the Offer / Custodian to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer / Custodian to the Offer, thereby restricting the ability of such Public Shareholders to take advantage of any favorable price movements.
- 1.6 The Acquirers, along with the Manager to the Open Offer, accept no responsibility for statements made

otherwise than in the Public Announcement, DPS or Draft Letter of Offer or this Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirers and the Manager to the Open Offer, and anyone placing reliance on any other source of information (not released by the Acquirers), would be doing so at his/her/their own risk.

- 1.7 The information contained in this Letter of Offer is as of the date of this Letter of Offer unless expressly stated otherwise. The Acquirers and the Manager to the Open Offer are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.
- 1.8 This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this 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 Acquirers or the Manager to the Open Offer to any new or additional registration requirements.
- 1.9 The Eligible Shareholders are advised to consult their respective tax advisors to assess the tax liability pursuant to this Offer, and the appropriate course of action that they should take. The Acquirers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
- 1.10 This Offer is subject to completion risks as would be applicable to similar transactions.
- 1.11 In accordance with the terms and conditions of the SPA and the acquisition of Sale Shares, there is a change in control and management of the Target Company which may have significant effect on the business, financial condition and the results of the operations of the Target Company.
- 1.12 Pursuant to acquisition of the Sale Shares under SPA, the Acquirers (i) have appointed its directors on the Board of Directors of the Target Company; and (ii) have acquired the control of the Target Company. The Sellers have resigned from the Board of Directors of the Target Company, which has resulted in a change in ownership, control and management of the Target Company, which may have a significant effect on the business, financial condition and the results of operations of the Target Company.
- 1.13 The SPA is subject to the compliance of provisions of the SEBI (SAST) Regulations.
- 1.14 This Offer is a mandatory open offer to acquire up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two hundred and Forty Four) Equity Shares, representing 25.48% (Twenty-Five point Forty Eight Percent) of the Voting Share Capital of the Target Company from the Public Shareholders. There is no assurance that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for this Offer.

*Note: In accordance with the provisions of SEBI (SAST) Regulations, an open offer in compliance with the provisions of Regulations 3(1) and 4 is required to be given for at least 26.00% (Twenty-Six Percent) of the voting share capital of the target company, however, since the shareholding of the Public Shareholders is 25.48% (Twenty-Five Point Forty Eight Percent) of the Voting Share Capital of the Target Company, therefore for the purpose of this Offer, the Offer Shares represent 25.48% (Twenty-Five Point Forty Eight Percent) of the Voting Share Capital of the Target Company.*

## **2. Risk in association with the Acquirers**

- 2.1 The Acquirers make no assurance with respect to the financial performance of the Target Company and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the offer.
- 2.2 The Acquirers make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.

- 2.3 The Acquirers make no assurance of the market price of shares of the Target Company during or after the Offer and expressly disclaim any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not to participate in the Offer.
- 2.4 The Acquirers have sufficient means to fulfill the financial obligation of this Open Offer through internal resources.
- 2.5 The Acquirers and the Manager to the Open Offer accept no responsibility for statements made otherwise than in this 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 the Acquirers) would be doing so at his / her / its own risk.
- 2.6 The Acquirers and the Manager to the Open Offer make no assurances with respect to continuation of the past trend in the financial performance or the future performance of the Target Company.
- 2.7 If the public shareholding in the Target Company falls below the prescribed minimum level required for continued listing as a result of the Open Offer and/or the underlying transaction, the Acquirers are required to take appropriate action in compliance with applicable securities laws in India to ensure compliance with the conditions of the SCRR and the SEBI (LODR) Regulations. Any failure to do so could have an adverse effect on the price of the Equity Shares of the Target Company.
- 2.8 For the purpose of disclosures in this LOF, all information relating to the Target Company has been obtained from publicly available sources or provided by the Target Company. The accuracy of such details of the Target Company has not been independently verified by the Acquirers and the Manager to the Open Offer.
- 2.9 The information contained in this LOF is as of date unless expressly stated otherwise. The Acquirers and Manager to the Open Offer are under no obligation to update the information contained herein at any time after the date of this LOF.

**The risk factors set forth above, pertain to the Offer and 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 risk involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stock brokers or investment consultants, if any for further risk with respect to their participation in the Offer. Each Shareholder of the Target Company is hereby advised to consult with Legal, Financial, Tax, Investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers.**

#### **NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES**

This LOF does not in any way constitute an offer to sell 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. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions. The Open Offer described in this LOF is not being made to, nor will tenders of shares be accepted from or on behalf of the Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

## **NOTICE TO SHAREHOLDERS IN UNITED STATES**

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Public Shareholders in the U.S. should be aware that this LOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this LOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

### **3. CURRENCY OF PRESENTATION**

In this LOF, all references to “**Rupees**”, “**Rs.**”, ₹ or “**INR**” are to Indian Rupees, the official currency of the Republic of India. In this LOF, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping

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## KEY DEFINITIONS/ ABBREVIATION

Sr. No.	Terms	Definition/Abbreviation
1.	<b>Acquirer 1</b>	Accord Distillers & Brewers Private Limited
2.	<b>Acquirer 2</b>	Teyro Labs Private Limited
3.	<b>Acquirer 3</b>	Jam Hotels and Resorts Private Limited
4.	<b>Acquirer 4</b>	Mr. Sundeep Anand Jegath Rakshagan
5.	<b>Acquirers</b>	Acquirer 1, Acquirer 2, Acquirer 3 and Acquirer 4
6.	<b>Acquisition Window</b>	The facility for the acquisition of Equity Shares through the stock exchange mechanism pursuant to this Offer shall be available on the BSE, in the form of a separate window.
7.	<b>Acquisition Window Circulars</b>	Stock Exchange mechanism as provided under SEBI (SAST) Regulations and the SEBI circulars bearing reference number 'CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015', 'CFD/DCR2/CIR/P/2016/131 dated December 09, 2016', 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021' and SEBI master circular SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023, as amended from time to time and notices/ guidelines issued by Stock Exchanges and the Clearing Corporation in relation to the mechanism/ process for the acquisition of shares through the stock exchange pursuant to the tender offers under open offers, buy back and delisting, as amended and updated from time to time.
8.	<b>Board/ Board of Directors</b>	Board of Directors of the Target Company
9.	<b>Book Value Per Share</b>	Equity Capital + Free Reserve (excluding Revaluation Reserve)- Debit balance in Profit & Loss A/c – Miscellaneous expenditure not written off / No. of Equity Shares issued
10.	<b>BSE</b>	BSE Limited, Mumbai
11.	<b>Buying Broker</b>	Choice Equity Broking Private Limited
12.	<b>CDSL</b>	Central Depository Services (India) Limited
13.	<b>CKYC</b>	Central Know Your Client
14.	<b>CIN</b>	Corporate Identification Number
15.	<b>Closure of the tendering Period</b>	Tuesday, January 30, 2024
16.	<b>Companies Act</b>	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable)
	<b>Corrigendum 1</b>	Corrigendum to DPS and DLOF dated October 26, 2023 published in Newspapers (in which DPS was published) on October 27, 2023
	<b>Corrigendum 2</b>	Corrigendum 2 to DPS dated December 31, 2023 published in Newspapers (in which DPS was published) on January 1, 2024
17.	<b>DIN</b>	Director Identification Number
18.	<b>Clearing Corporation</b>	Indian Clearing Corporation Limited



<b>Sr. No.</b>	<b>Terms</b>	<b>Definition/Abbreviation</b>
19.	<b>Depositories</b>	CDSL and NSDL
20.	<b>DP</b>	Depository Participant
21.	<b>DLOF</b>	The Draft Letter of Offer dated Monday, October 16, 2023, filed and submitted with SEBI pursuant to the provisions of Regulation 16(1) of the SEBI (SAST) Regulations, for its observations.
22.	<b>DPS or Detailed Public Statement</b>	Detailed Public Statement dated, October 8, 2023, issued by the Manager to the Open Offer on behalf of the Acquirers to the Public Shareholders of the Target Company, which was published in all editions of The Financial Express (English), all editions of Jansatta (Hindi), Mumbai edition of Navshakti, Chennai edition of Makkal Kural on October 9, 2023 in compliance with regulations of the SEBI (SAST) Regulations.
23.	<b>Earnings Per Share / EPS</b>	Earnings Per Equity Share calculated as Profit after tax divided by the number of outstanding Equity Shares at the close of the year/ period.
24.	<b>ECS</b>	Electronic Clearing Service
25.	<b>Eligible Shareholders</b>	All Equity Shareholders (registered or unregistered) of the Target Company (Except the Acquirers) are eligible to participate in the offer any time before the closure of the offer
26.	<b>Escrow Agreement</b>	Escrow Agreement, dated September 29, 2023, entered amongst the Acquirers, the Escrow Banker, and the Manager to the Open Offer.
27.	<b>Escrow Account</b>	An escrow account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, by the Acquirers in the name and style of “CECL - Open Offer Escrow Account” bearing number 8947708270 with the Escrow Bank, irrevocably and unconditionally empowering the Manager to the Open Offer to act in compliance with the SEBI (SAST) Regulations.
28.	<b>Escrow Amount</b>	The amount aggregating to Rs. 11,43,21,294/- (Rupees Eleven Crore Forty Three Lakhs Twenty One Thousand Two Hundred Ninety Four only) maintained by the Acquirers with the Escrow Banker, in accordance with the Escrow Agreement, in cash which represents 100% of the Offer Size
29.	<b>Escrow Bank/Escrow Agent</b>	Kotak Mahindra Bank Limited, having its registered office at C-27, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, and for the purpose of this Open Offer through its branch situated at Nariman Point Mumbai, India
30.	<b>Face Value</b>	Rs.10 per Equity Share
31.	<b>Finance Act</b>	The Finance Act, 2023
32.	<b>Form of Acceptance or FOA</b>	Form of Acceptance - cum – Acknowledgement
33.	<b>FATCA</b>	Foreign Account Tax Compliance Act
34.	<b>FEMA</b>	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time.
35.	<b>FIIIs</b>	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and modified from time to time.

<b>Sr. No.</b>	<b>Terms</b>	<b>Definition/Abbreviation</b>
36.	<b>FPIs</b>	Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended and modified from time to time.
37.	<b>FY</b>	Financial Year
38.	<b>Identified Date</b>	Tuesday, January 2, 2024 the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent
39.	<b>Insider Trading Regulations</b>	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and modified from time to time.
40.	<b>IT Act</b>	Income Tax Act, 1961, as amended and modified from time to time.
41.	<b>ISIN</b>	International Securities Identification Number
42.	<b>IFSC</b>	Indian Financial System Code
43.	<b>IPV</b>	In person verification
44.	<b>LOF or Letter of offer</b>	Letter of Offer dated January 5, 2024, along with Form of Acceptance-Cum-Acknowledgement
45.	<b>LTCG</b>	Long Term Capital Gains
46.	<b>Manager or Manager to the Open Offer or Merchant banker</b>	Fortress Capital Management Services Private Limited, the Merchant Banker appointed by the Acquirers pursuant to Regulation 12 of the SEBI (SAST) Regulations
47.	<b>Maximum Consideration</b>	The total funding requirement for this Offer, assuming full acceptance of this Offer is Rs. 11,43,21,294/- (Rupees Eleven Crore Forty Three Lakhs Twenty One Thousand Two Hundred Ninety Four only).
48.	<b>NEFT</b>	National Electronic Funds Transfer
49.	<b>Net worth</b>	Equity Capital + Free Reserve (excluding Revaluation Reserve) –Debit balance in Profit & Loss A/c – Miscellaneous expenditure not written off
50.	<b>NRI</b>	Non – Resident Indian
51.	<b>Non – Resident Shareholder</b>	Persons residing outside India as defined under FEMA, holding equity shares of the Target company.
52.	<b>NSDL</b>	National Securities Depository Limited
53.	<b>NSE</b>	National Stock Exchange of India Limited
54.	<b>Offer/The Offer/Open Offer</b>	To acquire up to 84,68,244 Equity shares of Rs 10/- each representing 25.48% of the fully paid-up Equity Share Capital of the Target Company, as of the 10 <sup>th</sup> working day from the closure of the tendering period, of Target Company, at a price of Rs. 13.50 (Rupees thirteen and Paise fifty Only) per Equity Share, payable in cash, in accordance with Regulation 8(2) of the SEBI (SAST) Regulations

Sr. No.	Terms	Definition/Abbreviation
55.	<b>Offer Documents</b>	Public Announcement, Detailed Public Statement, Letter of Offer, Recommendation of the Committee of the Independent Directors of the Company, Corrigendum 1, Corrigendum 2, Pre-Offer Advertisement Cum Corrigendum to Detailed Public Statement, and Post Offer Public Announcement, and any other notices, advertisements, and corrigendum issued by Manager to the Open Offer or on behalf of the Acquirers.
56.	<b>Offer Period</b>	The period from the date of entering into an agreement to acquire the Equity Shares, and Voting Share Capital in, or control over, the Target Company requiring a Public Announcement or the date on which the Public Announcement was issued by the Acquirers and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this offer, is made, or the date on which this offer is withdrawn, as the case may be.
57.	<b>Offer Price</b>	An offer price of ₹ 13.50 (Rupees Thirteen and Paisa Fifty Only) per Equity Share. The Equity Shares of the Target Company are not frequently traded in accordance with the provisions of Regulation 2(1)(j) of the SEBI (SAST) Regulations, and hence the Offer Price has been determined in accordance with the parameters prescribed under Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations.
58.	<b>Offer Shares</b>	Up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two hundred and Forty Four) fully paid Equity Shares, representing 25.48% (Twenty five point forty eight percentage) of the Voting Share Capital of Coromandel Engineering Company Limited
59.	<b>Offer Size</b>	Up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two Hundred Forty Four only) Equity shares of Rs.10 each representing 25.48% of the fully paid up equity share capital, as of the 10 <sup>th</sup> working day from the closure of the tendering period, of the Target Company at a price of Rs.13.50 (Rupees Thirteen and Paisa Fifty Only) per Equity share aggregating is Rs.11,43,21,294/- (Rupees Eleven Crores Forty Three Lakhs Twenty One Thousand Two Hundred Ninety Four only).
60.	<b>PAN</b>	Permanent Account Number
61.	<b>Public Announcement or “PA”</b>	Public Announcement of the Offer by the Acquirers, made as per SEBI (SAST) Regulations was sent to the BSE Limited (“ <b>BSE</b> ”) on Friday, September 29, 2023. The PA was also filed with the Securities and Exchange Board of India (“ <b>SEBI</b> ”) on Tuesday, October 3, 2023 and was sent to the registered office of the Target Company on Friday, September 29, 2023.
62.	<b>Public Shareholders</b>	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirers, the existing members of the promoter and promoter group of the Target Company and the parties to the SPA (as defined below), including persons deemed to be acting in concert with such parties to the SPA.
63.	<b>RBI</b>	Reserve Bank of India
64.	<b>Registrar or Registrar to the Offer</b>	Bigshare Services Private Limited
65.	<b>Return on Net worth (%)</b>	(Profit after Tax/ Net worth) *100
66.	<b>Rs./ Rupee/INR/ ₹</b>	Indian Rupee
67.	<b>RTGS</b>	Real Time Gross Settlement

<b>Sr. No.</b>	<b>Terms</b>	<b>Definition/Abbreviation</b>
68.	<b>SEBI</b>	Securities and Exchange Board of India
69.	<b>SEBI ICDR Regulations</b>	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and subsequent amendments thereof
70.	<b>SEBI (SAST) Regulations,</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
71.	<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992
72.	<b>SEBI Listing Regulations</b>	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof
73.	<b>SCRR</b>	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereof
74.	<b>SPA/ Agreement</b>	Share Purchase Agreement dated September 29, 2023 and the amendment agreement dated December 21, 2023
75.	<b>Sale Shares</b>	2,43,53,733 Equity Shares owned and held by the sellers (as defined below), representing 73.28% of voting Share Capital of the Target Company
76.	<b>STCG</b>	Short Term Capital Gains
77.	<b>Stock Exchange</b>	BSE Limited (“BSE”)
78.	<b>Sellers</b>	Shall mean the persons as set out in paragraph 2.3 (Details of Sellers) of this LOF.
79.	<b>Voting Share Capital</b>	The fully diluted Equity Share Capital and voting share capital of the Target Company as of the 10 <sup>th</sup> working day from the closure of the Tendering Period.
80.	<b>Target Company/TC/CECL</b>	Coromandel Engineering Company Limited
81.	<b>Tendering Period</b>	The period commencing from Tuesday January 16, 2024, and ending on Tuesday, January 30, 2024, both days inclusive, within which the Public Shareholders may tender their Equity Shares to the Acquirers in acceptance of this Open Offer.
82.	<b>TRS</b>	Transaction Registration Slip
83.	<b>Underlying Transaction</b>	The transaction for the sale and purchase of the Sale Shares as contemplated under the SPA.
84.	<b>Working Days</b>	Working days of SEBI as defined in the SEBI (SAST) Regulations

*Note: All terms beginning with a capital letter used in this LOF, and not specifically defined herein, shall have the same meanings ascribed to them in the SEBI (SAST) Regulations.*

## **1. DISCLAIMER**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF COROMANDEL ENGINEERING COMPANY LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPECTIVE RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, FORTRESS CAPITAL MANAGEMENT SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 16, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

### **UNITED STATES OF AMERICA**

THE OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS LOF AND ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S. ANY FINANCIAL INFORMATION INCLUDED IN THIS LOF OR IN ANY OTHER DOCUMENTS RELATING TO THE OFFER HAS BEEN OR WILL BE PREPARED IN ACCORDANCE WITH NON-U.S. ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO FINANCIAL STATEMENTS OF COMPANIES IN THE U.S. OR OTHER COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

THE RECEIPT OF CASH PURSUANT TO THE OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS.

EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OFFER, SINCE THE TARGET COMPANY AND THE ACQUIRERS ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT. NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS LOF. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

### **General Disclaimer**

This LOF, the DPS and the PA in connection with the Offer, have been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the publication of the DPS nor the delivery of this LOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company, the Sellers, the Acquirers, and any persons deemed to be acting in concert with them, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. It is not to be implied that the Acquirers, or any persons acting in concert with them, are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the DPS and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the DPS and /or the Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

## 2. DETAILS OF THE OFFER

### 2.1. BACKGROUND TO THE OFFER

2.1.1. This Offer, being a mandatory open offer, is being made by the Acquirers in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, pursuant to the execution of the SPA to acquire 73.28% i.e., more than 25% of the Voting Share Capital accompanied with control over the Target Company.

#### 2.1.2. Summary of the SPA

- (i) The Acquirers have entered into a share purchase agreement dated September 29, 2023 with the Sellers for the purchase of the Sale Shares, by the Acquirers, subject to, and in accordance with, the terms of the SPA.
- (ii) Under the SPA, the Acquirers have acquired the Sale Shares for a total cash consideration of INR 32,87,75,395.50 (Indian Rupees Thirty Two Crores Eighty Seven Lakhs Seventy Five Thousand Three Hundred Ninety Five and Paise Fifty only) ("Sale Consideration") at a price of up to INR 13.50 per Equity Share.
- (iii) A summary of the salient features of the SPA, which are all subject to detailed terms in the SPA, include the following:
  - a. Simultaneously with the execution of the SPA, an escrow agreement dated September 29, 2023 an amendment letter dated December 21, 2023 ("**SPA Escrow Agreement**") was executed between the Acquirers, Mr. M.M. Venkatachalam ("**Seller Representative**") and Kotak Mahindra Bank Limited ("**Escrow Agent**") to record the terms of the escrow arrangement in relation to the consummation of the Underlying Transaction. In terms of the SPA and the Escrow Agreement, the Acquirers had deposited the Sale Consideration in an escrow account and the Sellers also deposited the Sale Shares in an escrow demat account until the consummation of the Underlying Transaction. On the Closing Date (defined below), upon receipt of joint instructions from the representative of the Acquirers (as identified in the SPA Escrow Agreement) and the Seller Representative, the Escrow Agent has released the Sale Consideration to the bank accounts of the Sellers and the Sale Shares to the demat accounts of the Acquirers ("**Joint Escrow Release Instruction**").
  - b. The consummation of the Underlying Transaction ("Closing") has taken place on Friday, December 29, 2023 ("Closing Date").
  - c. Until Closing, except as set out in the SPA Escrow Agreement, the Sellers were not permitted to: (i) dispose of any interest in the Sale Shares or any part thereof, or grant any option or right of pre-emption over or otherwise encumber the Sale Shares or any of them, (ii) commence or continue any discussions and negotiations of any form whatsoever with any other persons or their representatives wherein such person is or was contemplating becoming a shareholder of the Target Company, and (iii) enter into any contract, option or other agreement, arrangement or understanding or negotiation with respect to transfer of any of the Sale Shares.
  - d. On the Closing Date, the following activities, amongst others, were carried out: (i) the Joint Escrow Release Instruction was issued to the Escrow Agent, (ii) Mr. Nallusamy Elangovan (Non-Executive Director), Mr. Sabaratnam Singaram (Non-Executive Director), Mr. Muthiah Nagalingam (Non-Executive, Independent Director) and Dr. R Ramkumar (Managing Director), were appointed on the board of directors of the Target Company and the existing directors viz., Mr. Murugappan Muthiah Venkatachalam (Chairman), Mr. N. V. Ravi (Independent Director), Mr. Sridhar A Depalli (Non - Independent Director), Mr. Shamsuddin Sakkarai Mohammed (Non - Independent Director) resigned

- from the board of directors of the Target Company.
- e. Subsequent to Closing, promptly on the date of publication of the post offer advertisement and in no case later than 7 (seven) business days from the date of publication of the post offer advertisement, the Acquirers shall, and shall cause the Target Company to make an application to the BSE seeking de-classification of the Sellers as ‘promoter’ or ‘member of the promoter group’.
  - f. The Sellers have provided customary warranties and indemnities to the Acquirers under the SPA.
  - g. The SPA cannot be terminated for any reason whatsoever except in the event any order of the Governmental authority has come into effect, or any applicable Law has been enacted after the execution date of the SPA, which is applicable to the Underlying Transaction and, which would restrain or otherwise prohibit the consummation of the Underlying Transaction. Upon occurrence of such event, the SPA may be terminated and the Underlying Transaction contemplated therein may be abandoned by the Acquirers prior to the Closing Date by giving a notice in writing to the Sellers and upon such termination: (i) obligation of the Acquirers to purchase the Sale Shares from the Sellers, and the obligation of the Sellers to sell to the Acquirers, the Sale Shares, shall terminate, and (ii) SPA Escrow Agreement shall be simultaneously terminated by the parties thereto, in accordance with the provisions of the SPA Escrow Agreement.
  - h. The SPA contains standard obligations on the Acquirers and the Sellers to maintain confidentiality.
  - i. The SPA is subject to the laws of India and subject to the dispute resolution clause in the SPA, the courts of Chennai shall have exclusive jurisdiction. Any dispute arising in relation to the SPA, amongst others, shall first be attempted to be resolved through mutual discussions within 30 (thirty) days from service of a written notice in this regard issued by one party to the SPA to the other parties to the SPA. If the dispute has not been resolved through such discussions, the dispute shall be referred to arbitration by either party to the SPA to be finally settled by arbitration under the Arbitration and Conciliation Act, 1996. The seat and venue of arbitration shall be Chennai, India and the arbitration shall be conducted by a sole arbitrator mutually appointed by the parties to the dispute or in case of an inability to mutually appoint a sole arbitrator, an arbitral tribunal comprising three arbitrators appointed in accordance with the provisions of the SPA.
- (iv) Reference may be made to (iii)(g) above which details the only event under which the SPA may be terminated prior to the closing, such event being any order of the Governmental authority coming into effect, or any applicable Law being enacted after the execution date of the SPA, which is applicable to the Underlying Transaction and, which would restrain or otherwise prohibit the consummation of the Underlying Transaction.

(v) Details of the Underlying Transaction is set out below:

<b>Details of Underlying Transaction</b>						
<b>Type of transaction (direct/ indirect)</b>	<b>Mode of transaction (agreement/ allotment/ market purchase)</b>	<b>Shares/voting rights acquired/ proposed to be acquired</b>		<b>Total consideration for shares/ voting rights acquired (INR)</b>	<b>Mode of payment</b>	<b>Regulation which has triggered</b>
		<b>Number</b>	<b>% vis-à-vis Voting Share Capital</b>			



Direct Acquisition	Agreement – The Acquirers entered into a SPA with the Sellers to acquire the Sale Shares, constituting 73.28% of the Voting Share Capital, subject to, and in accordance with, the terms of the SPA	2,43,53,733	73.28%	32,87,75,395.50	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations
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*Note: Post completion of the Underlying Transaction, the Acquirers are in control of the Target Company.*

2.1.3 The current and proposed (post-Offer) shareholding of the Acquirers in the Target Company is as follows:

Details of Acquirers	Acquirer 1		Acquirer 2		Acquirer 3		Acquirer 4		Total	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
Shareholding as of the date of the PA	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable
Shares acquired between the date of PA and the date of DPS	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable
Shareholding as of the date of the DPS	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable	Nil	Not applicable
Shares Acquired from Sellers under SPA, on December 29, 2023	64,53,931	19.42%	48,77,043	14.68%	46,20,070	13.90%	84,02,689	25.28%	2,43,53,733	73.28%
Shares held as on date	64,53,931	19.42%	48,77,043	14.68%	46,20,070	13.90%	84,02,689	25.28%	2,43,53,733	73.28%
Shares to be acquired in the Offer assuming full acceptance	22,44,151	6.75%	16,95,838	5.10%	16,06,484	4.83%	29,21,771	8.79%	84,68,244	25.48%
Post Offer Shareholding as of the 10th (Tenth) Working Day after the Tendering Period (assuming full acceptance of the Offer)*	86,98,082	26.17%	65,72,881	19.78%	62,26,554	18.74%	1,13,24,460	34.08%	3,28,21,977	98.76%

2.1.4 Upon completion of the Underlying Transaction, the Acquirers have acquired control of the Target Company and the Sellers are no longer in control of the Target Company. Subject to applicable conditions, including under Regulation 31A of the SEBI (LODR) Regulations, the Sellers will be seeking to de-classify themselves as part of the promoter/ promoter group of the Target Company in accordance with applicable law.

2.1.5 Pursuant to the terms of the SPA and completion of Underlying Transaction, the Board of Directors of the Target Company has been reconstituted - Mr. Nallusamy Elangovan (Non-Executive Director), Mr. Sabaratnam Singaram (Non-Executive Director), Mr. Muthiah Nagalingam (Non-Executive, Independent Director) and Dr. R Ramkumar (Managing Director), have been appointed on the board of directors of the Target Company and the

existing directors viz., Mr. Murugappan Muthiah Venkatachalam (Chairman), Mr. N. V. Ravi (Independent Director), Mr. Sridhar A Depalli (Non - Independent Director), Mr. Shamsuddin Sakkarai Mohammed (Non - Independent Director) have resigned from the board of directors of the Target Company..

- 2.1.6 The Acquirers are making this Offer to all Public Shareholders to acquire up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two hundred and Forty Four) Equity Shares, constituting 25.48% (Twenty Five point Forty Eight percent) of the Voting Share Capital of the Target Company.
- 2.1.7 In terms of Regulation 18(2) of the SEBI (SAST) Regulations, the LOF is issued within 7 (Seven) Working Days from the date of receipt of SEBI observations on the DLOF.
- 2.1.8 The Acquirers have not been prohibited by the SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.9 The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26(6) and 26(7) of the SEBI (SAST) Regulations has published a reasoned recommendation for the Offer which is at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspapers in which the DPS was published.

## 2.2. DETAILS OF THE PROPOSED OFFER

- 2.2.1. The PA was made on September 29, 2023 by the Manager to the Open Offer on behalf of the Acquirers and submitted to the Stock Exchanges, sent to the registered office of the Target Company on September 29, 2023 and filed with SEBI on October 3, 2023. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS dated October 8, 2023 was published on October 9, 2023 in the following newspapers, A copy of the PA and the DPS are also available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)).

Newspaper	Language	Editions
Financial Express	English national daily	All editions
Jansatta	Hindi national daily	All editions
Navshakti	Marathi daily	Mumbai edition (being the regional language of the place where the equity shares are listed)
Makkal Kural	Tamil daily	Chennai edition (being the place of the registered office of the Target Company)

- 2.2.2. As the acquirers were unable to transfer the Escrow Amount to Escrow Account as per the SEBI (SAST) Regulations, till the date of DPS due to unforeseeable circumstances as mentioned below in 5.2.6, the acquirers made a cash deposit in excess of 25% (Twenty Five Percent) of Escrow Amount in Escrow Account on October 16, 2023 and the balance sum of pending cash deposit upto 100% of Escrow Amount was deposited in Escrow Account on October 20, 2023. The Acquirers have, through the Manager to the Open Offer, issued the Corrigendum 1 to the DPS and DLOF dated October 26, 2023 published in Newspapers (in which DPS was published) on October 27, 2023. A copy of the Corrigendum is also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).
- 2.2.3. Pursuant to the terms of the SPA, the Acquirers and Sellers have completed the Underlying Transaction of Acquisition of Sale Shares and Change of Management Control on December 29, 2023. The Acquirers have acquired the Sale Shares in an off-market transaction from Sellers and reconstituted the Board of the Target Company by appointing new directors and the Sellers' Directors have resigned from the Board of the Target Company in the Board Meeting of the Target Company held on December 29, 2023. The Acquirers have, through the Manager to the Open Offer, issued Corrigendum 2 to the DPS dated December 31, 2023 published in Newspapers (in which DPS was published) on January 1, 2024. A copy of the Corrigendum 2 is also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).
- 2.2.4. This Offer is to acquire up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two Hundred and Forty Four) Equity Shares constituting up to 25.48% of the Voting Share Capital of the Target Company at a price of INR 13.50 per Equity Share, payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this LOF, for a total consideration of up to INR 11,43,21,294/- (Indian Rupees Eleven Crores Forty Three Lakhs Twenty One Thousand Two Hundred Ninety Four only), assuming full acceptance of this Offer (“**Offer Size**”).
- 2.2.5. As of the date of this LOF, there are no partly paid-up Equity Shares of the Target Company or convertible instruments (including warrants/ fully convertible securities/ partially convertible securities and employee stock options) issued by the Target Company.
- 2.2.6. There is no differential price for the Equity Shares.
- 2.2.7. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this LOF.
- 2.2.8. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 2.2.9. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirers shall have the right to withdraw the Open Offer: (a) in the event that any of the statutory approvals specified in this LOF as set out in paragraph 6.20 (Statutory and Other Approvals) below or those which become applicable prior to completion of the Open Offer are finally refused; or (b) if any of the conditions under the SPA Conditions (as described in detail under paragraph 2.1) (Background to the Offer) (“**SPA Conditions**”) are not satisfied, for reasons outside the reasonable control of the Acquirers. In the event of such a withdrawal of the Open Offer, the Acquirers (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
- 2.2.10. Where any statutory or other approval extends to some but not all Public Shareholders, the Acquirers will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approval(s) are required in order to complete this Offer.

- 2.2.11. The acquisition of Equity Shares tendered by NRIs and OCBs is subject to approval from the RBI. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI or the relevant government authorities) and submit copies of such approvals, along with the other documents required in terms of this LOF.
- 2.2.12. The Manager to the Open Offer does not hold any Equity Shares as of the date of this LOF. The Manager to the Open Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.
- 2.2.13. The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirers at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 2.2.14. The Offer Shares will be acquired by the Acquirers fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 2.2.15. The Equity Shares are listed on BSE (Security ID: COROENGG; Scrip Code: 533167). The ISIN of the Equity Shares of the Target Company is INE312J01012.
- 2.2.16. As per Regulation 38 of the SEBI (LODR) Regulations, as amended, read with Rule 19A of the SCRR, the Target Company is required to maintain minimum public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. In the event the public shareholding in the Target Company falls below 25.00% (Twenty Five percent) of the Voting Share Capital pursuant to this Offer, the Acquirers shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

### 2.3. DETAILS OF SELLERS

- 2.3.1. The details of the sellers who have entered into the SPA with the Acquirers are set out below.

Sr. No	Name of the Seller	No. of Shares Held	% of Voting Rights
1	Umayal R	33,800	0.10
2	A Vellayan	2,85,895	0.86
3	Lalitha Vellayan	4,560	0.01
4	V Narayanan	3,456	0.01
5	V Arunachalam	816	-
6	A Venkatachalam	284,935	0.86
7	Meyyammai Venkatachalam	5,232	0.02
8	MV.AR Meenakshi	16,164	0.05
9	M M Murugappan	4,56,730	1.37
10	Meenakshi Murugappan	6,400	0.02

Sr. No	Name of the Seller	No. of Shares Held	% of Voting Rights
11	M M Veerappan	1,800	0.01
12	M M Muthiah	1,800	0.01
13	M A Alagappan	41,210	0.12
14	Arun Alagappan	3,26,610	0.98
15	M A M Arunachalam	3,61,610	1.09
16	AM Meyammai	45,400	0.14
17	Lakshmi Chockalingam	28,800	0.09
18	M A Alagappan (Holds shares in the capacity as kartha of M A Alagappan HUF)	1,600	-
19	M M Murugappan (Holds shares in the capacity as kartha of M M Muthiah HUF)	13,500	0.04
20	E.I.D.Parry (India) Limited	42,938	0.13
21	Parry Infrastructure Company Private Limited	25,00,100	7.52
22	Dare Ventures Limited	25,00,100	7.52
23	Ambadi Investments Limited	34,92,579	10.51
24	Parry Agro Industries Limited	25,00,100	7.52
25	Ambadi Enterprises Limited	10,00,100	3.01
26	Murugappa Management Services Limited	12,51,712	3.77
27	Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited)	25,00,100	7.52
28	Chola Insurance Distribution Services Private Limited (formerly known as Chola Insurance Services Private Limited)	8,00,364	2.41
29	Chola Business Services Limited	8,56,398	2.58
30	Kartik Investments Trust Limited	26,776	0.08
31	Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)	4,33,481	1.30
32	Carborundum Universal Limited	30,42,900	9.16
33	Murugappa Educational & Medical Foundation	55,502	0.17
34	M A Alagappan Holdings Private Limited	14,600	0.04
35	AMM Vellayan Sons P Limited	12,094	0.04
36	M M Muthiah Sons Private Limited	48,430	0.15
37	M. M. Muthiah Research Foundation	38,930	0.12
38	M A Murugappan Holdings LLP	14,600	0.04
39	MA.Alagappan Grand Children Trust (Arun Alagappan & A A Alagammai holds shares on behalf of the Trust)	1,41,430	0.43

Sr. No	Name of the Seller	No. of Shares Held	% of Voting Rights
40	Arun Murugappan Children's Trust (MAM Arunachalam & Sigapi Arunachalam holds shares on behalf of the Trust)	1,16,430	0.35
41	Sigapi Arunachalam (Holds shares in the capacity of trustee of Murugappan Arunachalam ChildrenTrust)	10,000	0.03
42	M M Muthiah Family Trust (M M Murugappan and M M Muthiah holds shares on behalf of the Trust)	15,479	0.05
43	M M Veerappan Family Trust (M M Murugappan and Meenakshi Murugappan holds shares on behalf of the Trust)	15,479	0.05
44	M V Muthiah Family Trust (M M Venkatachalam and M V Muthiah holds shares on behalf of the Trust)	19,479	0.06
45	Lakshmi Venkatachalam Family Trust (M M Venkatachalam and Lakshmi Venkatachalam holds shares on behalf of the Trust)	4,53,610	1.36
46	Saraswathi Trust (M V Subbiah, S Vellayan, M V Seetha Subbiah holds on behalf of the Trust)	35,543	0.11
47	Shambho Trust (M V Subbiah, S Vellayan, Kanika Subbiah holds on behalf of the Trust)	2,98,547	0.90
48	M V Subramanian Family Trust (M M Venkatachalam and M V Subramanian holds shares on behalf of the Trust)	19,479	0.06
49	M V Subbiah (Holds shares in the capacity as Kartha of HUF)	85,165	0.26
50	Lakshmi Ramaswamy Family Trust (AA Alagammai & Lakshmi Ramaswamy holds shares on behalf of the trust)	77,414	0.23
51	AR Lakshmi Achi Trust	13,556	0.04
	<b>Total</b>	<b>2,43,53,733</b>	<b>73.28</b>

### 2.3.2. Undertakings by Sellers

2.3.2.1. The Sellers have confirmed that neither of them have not been categorized as a “Willful Defaulter” in terms of Regulation (2)(1)(ze) of the SEBI(SAST) Regulations nor they been categorized as a “Fugitive Economic Offender” in terms of Regulation (2)(1)(ja) of the SEBI (SAST) Regulations. Also, they have confirmed that neither of them have been categorized as a Fraudulent Borrower in terms of Regulation 6B of the SEBI (SAST) Regulations.

2.3.2.2. The Sellers, its promoters, Persons in control and Directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

2.3.3. Status of remaining members of promoter and promoter group post consummation of SPA and completion of open offer.

The details of the remaining members of the promoter and promoter group of the Target Company, who are holding 4,11,621 shares (1.24%), and are not parties to the SPA, ("**Remaining Promoters**") are set out in the below table. Based on an intimation made by the Target Company to the BSE (copy attached), we understand that the Remaining Promoters have submitted a request letter to the target company, which has subsequently been approved at a board meeting of the Target Company, seeking reclassification as ‘public’ in terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The intimation further states the re-classification of the Remaining Promoters is subject to BSE approval.

Category of shareholder	Entity Type	No. of fully paid up equity shares held	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
			No	%	
Valli Arunachalam	Promoter Group	1,60,956	1,60,956	0.48	1,60,956
M V Murugappan HUF (Karta - Valli Arunachalam)	Promoter	68,910	68,910	0.21	68,910
Vellachi Murugappan	Promoter Group	1,81,755	1,81,755	0.55	1,81,755
<b>Total</b>		<b>411,621</b>	<b>411,621</b>	<b>1.24</b>	<b>4,11,621</b>

2.3.4. There are no penalties levied by SEBI/RBI or any other regulatory against the Promoter Sellers except the below:

Name of the Seller	Address of Seller	Nature of Penalty
Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)	Dare House, Ground Floor, 234, Nsc Bose Road, Chennai 600001	Rs.10000 levied by NSE and BSE in 2021 for not providing sufficient notice(two working days) for the Board meeting approving Dividend
E.I.D.Parry (India) Limited	"Dare House" Parys Corner Chennai 600001	Rs.10000 levied by NSE and BSE for delay in Board meeting intimation

## 2.4. OBJECT OF ACQUISITION/ OFFER

- 2.4.1. The Open Offer is being made as a result of the acquisition of more than 25.00% (Twenty Five percent) of shares, voting rights and control of the Target Company by the Acquirers resulting in a change of control of the Target Company in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
- 2.4.2. The Acquirers have not formulated any proposal as of the date of this LOF which may have an adverse material impact on the employees of the Target Company and the locations of its places of business.
- 2.4.3. Subsequent to the completion of the Open Offer and the Underlying Transaction, the Acquirers reserves the right, in consultation with the Board of Directors of the Target Company, to streamline/ restructure the operations, assets, liabilities and/ or businesses of the Target Company through arrangement/ reconstruction, restructuring, merger, demerger and/ or sale of assets or undertakings, at a later date. Further, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirers, in consultation with the Board of Directors of the Target Company, and based on the requirements of the business of the Target Company and in accordance with applicable laws, may consider disposal of or creating encumbrance over any assets or investments of the Target Company through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/ operating arrangements, for restructuring and/ or rationalising the assets, investments or liabilities of the Target Company to improve operational efficiencies and for other commercial reasons. Decision on these matters will be based on the requirements of the business of the Target Company and such decision will be taken in accordance with and as permitted by applicable laws.

- 2.4.4. The Accord group (Acquirers) has plans to come up with 5,000 bedded hospitals, 3,000 Room Keys Hotel facility and also expand its distillery and other business activities across India in next 3 years' time. The Accord group is constructing approximately 2 to 3 Lacs sq. ft. of commercial spaces on an average per year towards their Schools, Colleges, Hostels, Hotels, Resorts, Hospital and other business requirements. Currently, the Accord group has a contract to execute a 10 MW hydro power project. The Acquirers want to establish Construction & Engineering and Property management business as a separate vertical with technical expertise. With the group expertise in developing commercial spaces for about two decades, they also would like to bid for future government projects. The Target Company offers a ready to run platform and manpower to expand the current opportunities with their legacy of 75 years of excellence in construction and engineering industry
- 2.4.5. The acquisition will improve organizational capability arising from the pooling of human capital that has diverse skills, talent and vast experience and integration and optimization of various support functions, resources, and assets of the Target Company
- 2.4.6. The acquisition will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, and other stakeholders of the Target Company.
- 2.4.7. The Target Company is one of India's oldest and prestigious companies in Construction and Engineering sector, having pioneered several novel engineering techniques and having constructed various landmark buildings such as the LIC Building in Anna Salai, Hotel Chola Sheraton and Premium Apartments across Chennai, Hotel Holiday Inn and Windsor Manor in Bangalore, among others.
- 2.4.8. The Acquirers believe that the Target Company has immense experience, knowledge, resources and competence in the construction and infrastructure development business.
- 2.4.9. Acquirer 1, Acquirer 2 and Acquirer 3 are engaged in the businesses of distillery, laboratories, hotels and hospitality, respectively. Acquirer 1, Acquirer 2 and Acquirer 3 have made substantial investments in the development of factories/buildings for its distillery business, buildings for its laboratories and infrastructure for its hotels and hospitality business respectively.
- 2.4.10. Acquirer 4 is a promoter of the Accord group and is a Doctorate in Computer Science and holds a master's degree in computer science from Minneapolis University, USA and he completed his graduation from the Guindy Engineering College, Chennai, Tamil Nadu. Accord group's diversification of portfolio initiated under his leadership forced the companies to look beyond boundaries and grow in multiple leaps in the last two decades in multiple line of business, which includes distillery, laboratories, hotels and hospitality businesses.
- 2.4.11. Accord group is developing on an average 2 to 3 lakhs sq. ft. per year for its various construction and infrastructure projects through in-house teams / third party contractors and has plans to further expand its hotels, laboratories and distillery businesses. With this acquisition, infrastructure development can be handled in-house leading to economies of scale and better utilization of resources.
- 2.4.12. Being involved in various business verticals, the Acquirers along with other Accord group companies aim for expansion and have more buildings and infrastructure added to their portfolio to cater to its vision of expansion, and hence, with the acquisition of the Target Company, the Acquirers would be in a position to expand their respective individual businesses and also cater to the Accord group's long term vision in the field of infrastructure development, which can be then handled in-house, instead of being outsourced, leading to reduction in cost and business optimization.



- 2.4.13. The Acquirers, through the Target Company, also envisage to take up various government and private contracts apart from its in-house infrastructure development and they believe that the Target Company already has experience and competence to acquire various government and private contracts, including foreign construction contracts, and it has a reputation in the market which can help the Acquirers to bid for various government tenders and acquire large private contracts.
- 2.4.14. Also, having a listed company in the Accord Group will enhance its credit worthiness and shall facilitate it to tap capital markets, PE investors for funding and future expansion plans for growth.

### 3. BACKGROUND OF THE ACQUIRERS

#### 3.1. Accord Distillers & Brewers Private Limited (“Acquirer 1”):

- 3.1.1. Accord Distillers & Brewers Private Limited was incorporated on November 26, 2010, under the Companies Act, 1956 with the name A M Breweries Private Limited. On January 18, 2018, the name of the Company was changed from AM Breweries Private Limited to Accord Distillers & Brewers Private Limited, with registered address as No. 29, Tilak Street, T Nagar, Chennai 600017 Tamil Nadu, India. The CIN number of Acquirer 1 is U23100TN2010 PTC078243.
- 3.1.2. Acquirer 1 is engaged in the activity of liquor (Distillers and Brewery) manufacturing in South India. It holds 2 manufacturing units in Goa and Chennai with units that have a manufacturing capacity of 1 million cases per month, which are marketed across the Indian States. Acquirer 1 is one of the leading supplier for TASMAC, Tamil Nadu. It also imports Scotch and Cognac across the Indian subcontinent and exports to other countries.
- 3.1.3. Acquirer 1 is controlled by Mr. Sundeep Anand Jegath Rakshagan (Acquirer 4). The Authorised Equity share capital of Acquirer 1 is Rs. 1,80,00,00,000 divided into 18,00,00,000 shares of Rs. 10/- each. The shares of Acquirer 1 is not listed on any stock exchange. The Directors of Acquirer 1 are Mr. Sundeep Anand Jegath Rakshagan (DIN: 01728742) (Acquirer 4) and Mr. Swamikannu Jagathrakshakan (DIN: 01720227).
- 3.1.4. Acquirer 1 confirms that there are no pending litigations and contingent liabilities except the following and any liability coming from the following pending litigation will be of Acquirer 1 in its personal capacity and will not have any impact on the Target Company or Public Shareholders of Target Company or the Open Offer:

#### **Litigations pending / Contingent liabilities against Acquirer 1**

- Search and Investigation was conducted by IT Department from October 5, 2023 to October 10, 2023, there is no communication from the IT Department till date post Search and Investigation.
  - Case No. COMS/1/2023 is pending u/s 26, Code of civil Procedure, 1908 before Ld. Judge, High Court of Himachal Pradesh, Shimla
  - Case No. OMP/80/2023 is pending u/s 151, Code of civil Procedure, 1908 before Ld. Judge High Court of Himachal Pradesh, Shimla.  
(source: [www.probe42.in](http://www.probe42.in) and Acquirer 1)
- 3.1.5. The shareholding pattern of Acquirer 1 as on the date of this LOF is as under:

Sr. No	Name of the Promoter	No of Shares Held	% of holding
1	Late Anusuya Jagathrakshakan	97,38,635	5.42%
2	J Santhana Krishnan	1,46,278	0.08%
3	Sundeep Anand Jegath Rakshagan (Acquirer 4)	8,97,68,118	50.00%
4	Srinisha Jagathrakshakan	14,57,781	0.81%
5	J Hotels Private Limited	7,83,00,000	43.61%
6	Narayanasamy Elamaran	60,000	0.03%
7	Malarmangai E	60,000	0.03%
	<b>Total</b>	<b>17,95,30,812</b>	<b>100.00%</b>

- 3.1.6. Acquirer 1 belongs to the Accord Group of Companies. Acquirer 4 is the Director on the Board of Directors of Acquirer 1 and is also a shareholder of Acquirer 1

3.1.7. Acquirer 1 is the shareholder of Acquirer 2 and Acquirer 3.

3.1.8. As on the date of this Letter of Offer, the Board of Directors of the Acquirer 1 consists of:

Sr. No	Name of the Director	Designation	Date of Appointment	Educational Qualification	Experience	Residential Address
1	Mr. Sundeep Anand Jegath Rakshagan	Director	November 26, 2010	BE (Computer Science), M S (Computer Science)	25	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu
2	Mr. Swamikannu Jagathrakshakan	Additional Director	August 18, 2023	10 <sup>th</sup> Standard	50	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu

3.1.9. The key financial information of Acquirer 1 is based on its audited standalone financial statements as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023, and unaudited financials for quarter ended June 30, 2023 is as below

#### Profit and Loss Statement

(Amount Rs. In Lakhs)

Particulars	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Income from operations	9,515.17	5,91,95.96	70,038.68	82,537.20
Other Income	23.36	345.27	685.80	335.82
<b>Total Income</b>	<b>9,538.54</b>	<b>59,541.23</b>	<b>70,724.49</b>	<b>82,873.02</b>
<b>Total Expenditure</b>	<b>8,807.88</b>	<b>57,555.01</b>	<b>67,541.74</b>	<b>77,991.35</b>
Profit before Tax	730.65	1,986.22	3,182.75	4,881.67
Less: Provision for Tax	183.89	499.89	1,547.34	880.88
<b>Profit after Tax</b>	<b>546.76</b>	<b>1,486.32</b>	<b>1,635.41</b>	<b>4,000.78</b>

**Balance Sheet**

(Amount Rs. In Lakhs)

Particulars	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
(A) Sources of Funds				
Paid up share capital	17,953.08	17,953.08	17,953.08	17,953.08
Reserves & surplus (excluding revaluation reserves)	48,493.95	47,947.18	43,979.50	42,344.09
<b>Net Worth</b>	<b>66,447.03</b>	<b>65,900.26</b>	<b>61,932.58</b>	<b>60,297.17</b>
Non - Current Liabilities	(19,168.48)	5,057.85	5,444.78	2,206.30
Current Liabilities	16,202.04	16,513.78	19,358.83	40,831.81
<b>Total (A)</b>	<b>1,08,817.55</b>	<b>87,471.89</b>	<b>86,736.19</b>	<b>1,03,335.29</b>
(B) Uses of funds				
Non-Current Assets	69,047.92	59,412.26	65,236.76	72,048.57
Current Assets	32,769.63	28,059.63	21,499.42	31,286.72
<b>Total (B)</b>	<b>1,01,817.55</b>	<b>87,471.89</b>	<b>86,736.19</b>	<b>1,03,335.29</b>

**Other Financial Data**

For the year ended	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Dividend (%)	-	-	-	-
Earnings per share (Rs.)	0.30	0.83	0.91	2.23

3.1.10. The Net worth of Acquirer 1 as on June 30, 2023 is Rs 6,64,47,02,611 and the same is certified by Mr. Jaganatha Kannan, Chartered Accountant (Membership No. 022714) bearing UDIN 23022714BGPSHY6642 vide certificate dated September 27, 2023 having its office at No. 447, Agraharam Street, Erode-638001. Tel No: 044 24953069 and further the letter dated September 27, 2023 confirms that it has sufficient liquid funds to fulfil its part of the obligation under this Offer.

**3.2. Teyro Labs Private Limited (“Acquirer 2”):**

3.2.1. Teyro Labs Private Limited was incorporated on February 21, 2014 under the Companies Act, 2013 with the name Accencis Health Private Limited, on November 28, 2019 the name of the Company was changed from Accencis Health Private Limited to Teyro Labs Private Limited with registered address as No. 29. Tilak Street, T Nagar, Chennai 600017, Tamil Nadu, India. The CIN number is U24100TN2014PTC095150.

- 3.2.2. Acquirer 2 is engaged in the business of Research & Development, Manufacturing and Supply of API & Formulation of pharmaceuticals and nutraceuticals. Acquirer 2 is primarily into manufacturing injectables and Oral Solid Dosages (OSD) in Oncology segment and designed the plant as export oriented unit to supply rest of the world market. Company has recently completed USFDA inspection and obtained the USFDA approval on July 27, 2023.
- 3.2.3. Acquirer 2 is controlled by Mr. Sundeep Anand Jegath Rakshagan The Authorised Equity share capital of Acquirer 2 is Rs 30,00,00,000 divided into 3,00,00,000 shares of Rs 10/- each. The shares of Acquirer 2 are not listed on any stock exchange. The Directors of Acquirer 2 are Mr. Sundeep Anand Jegath Rakshagan (DIN: 01728742) (Acquirer 4) and Mr. Swamikannu Jagathrakshakan (DIN: 01720227).
- 3.2.4. Acquirer 2 confirms that there are no pending litigations and contingent liabilities except the following and any liability coming from the following pending litigation will be of Acquirer 2 in its personal capacity and will not have any impact on the Target Company or Public Shareholders of Target Company or the Open Offer:

**Litigations pending / Contingent liabilities against Acquirer 2**

- Search and Investigation was conducted by IT Department from October 5, 2023 to October 10, 2023, there is no communication from the IT Department till date post Search and Investigation.

- 3.2.5. The shareholding pattern of Acquirer 2 as on the date of this LOF is as under:

Sr. No	Name of the Promoter	No of Shares Held	% of holding
1	Sundeep Anand Jegath Rakshagan (Acquirer 4)	1,23,00,000	49.20%
2	Swamikannu Jagathrakshakan	19,50,000	7.80%
3	Srinisha Jagathrakshagan	3,00,000	1.20%
4	Narayanasamy Elamaran	1,50,000	0.60%
5	S Malar Mangai	1,50,000	0.60%
6	Accord Distillers & Brewers Private Limited (Acquirer 1)	1,50,000	0.60%
7	J Hotels Private Limited	1,00,00,000	40.00%
	<b>Total</b>	<b>2,50,00,000</b>	<b>100.00%</b>

- 3.2.6. Acquirer 2 belongs to the Accord Group of Companies. Acquirer 4 is the Director on the Board of Directors of Acquirer 2. Acquirer 1 and Acquirer 4 are Shareholder of Acquirer 2

3.2.7. As on the date of this Letter of offer, the Board of Directors of the Acquirer 2 consists of:

Sr. No	Name of the Director	Designation	Date of Appointment	Educational Qualification	Experience	Residential Address
1	Mr. Sundeep Anand Jegath Rakshagan	Director	December 1, 2014	B E (Computer Science), M S (Computer Science)	25	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu
2	Mr. Swamikannu Jagathrakshakan	Additional Director	August 18, 2023	10 <sup>th</sup> Standard	50	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu

3.2.8. The key financial information of Acquirer 2 is based on its audited standalone financial statements as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023, and unaudited financials for quarter ended June 30, 2023

#### Profit and Loss Statement

(Amount Rs in Lakhs)

Particulars	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Income from operations	83.57	156.39	209.32	97.42
Other Income	202.68	89.30	103.84	1,708.20
<b>Total Income</b>	<b>286.25</b>	<b>245.69</b>	<b>313.16</b>	<b>1,805.63</b>
<b>Total Expenditure</b>	<b>326.78</b>	<b>572.78</b>	<b>570.51</b>	<b>2,277.51</b>
Profit before Tax	(40.52)	(327.09)	(325.15)	(1,186.52)
Less: Provision for Tax			(138.18)	(134.97)
<b>Profit after Tax</b>	<b>(40.52)</b>	<b>(327.09)</b>	<b>(186.96)</b>	<b>(5,563.41)</b>

## Balance Sheet

(Amount Rs in Lakhs)

Particulars	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
(A) Sources of Funds				
Paid up share capital	2,500.00	2,500.00	2,500.00	2,500.00
Share Premium	2,000.00	2,000.00	2,000.00	2,000.00
Other Equity components	4,795.64	4,836.15	5,163.24	(2,633.75)
<b>Net Worth</b>	<b>9,295.64</b>	<b>9,336.15</b>	<b>9,663.24</b>	<b>1,866.25</b>
Non - Current Liabilities	50,710.02	50,710.01	42,432.91	34,790.55
Current Liabilities	960.17	759.02	2,471.71	656.16
<b>Total (A)</b>	<b>60,965.83</b>	<b>60,805.18</b>	<b>54,567.86</b>	<b>37,312.96</b>
(B) Uses of funds				
Non-Current Assets	58,057.40	57,800.91	49,792.48	34,081.10
Current Assets	2,908.43	3,004.27	4,775.38	3,231.86
<b>Total (B)</b>	<b>60,965.83</b>	<b>60,805.18</b>	<b>54,567.86</b>	<b>37,312.96</b>

## Other Financial Data

For the year ended	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Dividend (%)	-	-	-	-
Earnings per share (Rs.)	(0.16)	(1.31)	(0.48)	(22.65)

3.2.9. The Net worth of Acquirer 2 as on June 30, 2023 is Rs 92,95,62,648 and the same is certified by Mr. Jaganatha Kannan, Chartered Accountant, (Membership No. 022714) bearing UDIN 23022714BGPSHW8464 and further the letter dated September 27, 2023 also confirms that it has sufficient liquid funds to fulfil its part of the obligation under this offer.

### 3.3. Jam Hotels and Resorts Private Limited (“Acquirer 3”)

3.3.1. Jam Hotels and Resorts Private Limited was incorporated on August 29, 2008 under the Companies Act, 1956. Acquirer 3 has a registered address as No. 310, 3rd Floor, Rear Entrance "Swiss Complex", 33, Race Course Road, Bangalore – 560001, Karnataka, India. The CIN number is U55103KA2008PTC047628.

- 3.3.2. Acquirer 3 is engaged in the activity of hospitality services and runs a 5 Star Hotel in Pondicherry in the name of “The Accord”. Group is into hospitality sector in the brand name of “Accord” and has four (4) 5 Star hotels at Chennai, Pondy and Ooty, Tamil Nadu.
- 3.3.3. Acquirer 3 is controlled by Mr. Sundeep Anand Jegath Rakshagan (Acquirer 4). The Authorised Equity share capital of Acquirer 3 is Rs 23,00,00,000 divided into 2,30,00,000 shares of Rs 10 each. The shares of Acquirer 3 are not listed on any stock exchange. The Directors of Acquirer 3 are Mr. Sundeep Anand Jegath Rakshagan (DIN: 01728742) (Acquirer 4) and Mr. Swamikannu Jagathrakshakan (DIN: 01720227).
- 3.3.4. Acquirer 3 confirms that there are no pending litigations and contingent liabilities except the following and any liability coming from the following pending litigation will be of Acquirer 3 in its personal capacity and will not have any impact on the Target Company or Public Shareholders of Target Company or the Open Offer:

**Litigations pending / Contingent liabilities against Acquirer 3**

- Search and Investigation was conducted by IT Department from October 5, 2023 to October 10, 2023, there is no communication from the IT Department till date post Search and Investigation.

- 3.3.5. The shareholding pattern of Acquirer 3 as on the date of this LOF is as under:

Sr. No	Name of the Promoter	No of Shares Held	% of holding
1	Mr. Sundeep Anand Jegath Rakshagan (Acquirer 4)	42,14,000	18.89%
2	Accord Distillers & Brewers Private Limited (Acquirer 1)	1,80,00,000	80.72%
3	Swamikannu Jagathrakshakan	86,000	0.39%

- 3.3.6. Acquirer 3 belongs to the Accord Group of Companies. Acquirer 4 is the Director on the Board of Directors of Acquirer 3. Acquirer 1 and Acquirer 4 are Shareholder of Acquirer 3.
- 3.3.7. As on the date of this Letter of offer, the Board of Directors of the Acquirer 3 consists of:

Sr. No	Name of the Director	Designation	Date of Appointment	Educational Qualification	Experience	Residential Address
1	Mr. Sundeep Anand Jegath Rakshagan	Director	March 3, 2016	BE (Computer Science), M S (Computer Science)	25	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu
2	Mr. Swamikannu Jagathrakshakan	Additional Director	December 15, 2020	10 <sup>th</sup> Standard	50	No 1, 1st Main Road, Kasturibai Nagar, Adyar, Chennai 600 020, Tamil Nadu



3.3.8. The key financial information of Acquirer 3 is based on its audited standalone financial statements as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023, and unaudited financials for quarter ended June 30, 2023

### Profit and Loss Statement

(Amount Rs. In Lakhs)

Particulars	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Income from operations	672.51	2,561.18	1,720.06	743.67
Other Income	3.14	10.28	8.34	7.16
<b>Total Income</b>	<b>675.66</b>	<b>2,571.46</b>	<b>1,728.39</b>	<b>750.83</b>
<b>Total Expenditure</b>	<b>593.23</b>	<b>2,193.83</b>	<b>1,621.18</b>	<b>1,313.39</b>
Profit before Tax	82.42	377.63	107.22	(562.56)
Less: Provision for Tax	20.74	32.12	(42.26)	(48.88)
<b>Profit after Tax</b>	<b>61.68</b>	<b>345.51</b>	<b>149.47</b>	<b>(513.68)</b>

### Balance Sheet

(Amount Rs. In Lakhs)

Particulars	Dated as on 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
(A) Sources of Funds				
Paid up share capital	2,230.00	2,230.00	2,230.00	2,230.00
Reserves & surplus (excluding revaluation reserves)	(1,771.05)	(1,832.73)	(2,178.25)	(2,327.72)
<b>Net Worth</b>	<b>458.95</b>	<b>397.27</b>	<b>51.75</b>	<b>(97.72)</b>
Non - Current Liabilities	2,679.02	2,681.19	3,116.59	3,524.01
Current Liabilities	271.00	281.23	361.74	324.97
<b>Total (A)</b>	<b>3,408.97</b>	<b>3,359.69</b>	<b>3,530.08</b>	<b>3,751.26</b>
(B) Uses of funds			-	-
Non-Current Assets	3,008.55	3,008.55	3,024.86	3,314.07
Current Assets	400.42	351.14	505.22	437.19
<b>Total (B)</b>	<b>3,408.97</b>	<b>3,359.69</b>	<b>3,530.08</b>	<b>3,751.26</b>

## Other Financial Data

For the year ended	Quarter Ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Dividend (%)	-	-	-	-
Earnings per share (Rs.)	0.28	1.55	0.67	(2.30)

3.3.9. The Net worth of Acquirer 3 as on June 30, 2023 is Rs 4,58,94,706 and the same is certified by Mr Jaganatha Kannan, Chartered Accountant (Membership No. 022714) of bearing UDIN 23022714BGPSHX9663 and the letter dated September 27, 2023 also confirms that they have sufficient liquid funds to fulfill their parts of the obligation under this offer.

### 3.4. Mr. Sundeep Anand Jegath Rakshagan (“Acquirer 4”):

3.4.1. Mr. Sundeep Anand Jegath Rakshagan, son of Mr. Swamikannu Jagathrakshakan, aged 47 years, an Indian resident residing at No 1, First Main Road, Kasthuribai Nagar Chennai, Tamil Nadu - 600020, India having PAN: ABFPS1423F. He has around 25 years of experience in running Education, Hospitality (Hotel & Resorts), healthcare, Pharmaceuticals (Oncology), Distilleries & breweries, Information Technology, Transport and Real Estate. His Email ID is accordgroup.director@gmail.com & Contact No +91 81228 50799.

3.4.2. Mr. Jaganatha Kannan, Chartered Accountant, Partner of Kannan Associates. (Membership No. 022714), having office at No 447, Agraharam Street, Erode - 638001, Tel: 044 24953069, has certified vide certificate dated September 27, 2023 that the net worth of Acquirer 4 as on June 30, 2023 is Rs. 355.34 Crores (Rupees Three Hundred Fifty Five Crores and Thirty Four Lakhs only) and has also confirmed that he has sufficient liquid funds to fulfil its part of the obligation under this Offer.

3.4.3. Acquirer 4 does not hold any Equity shares in the Target Company and he is not on the board of directors of the Target Company. Acquirer 4 is deemed to be interested in the Target Company to the extent of the proposed acquisition of equity shares and control over the Target Company under the SPA. There have been no earlier acquisitions in the Target Company before this Offer.

3.4.4. As on the date of this DPS, Acquirer 4 belongs to the Accord Group of Companies. He has sufficient resources to fulfil the obligations under this offer

3.4.5. Acquirer 4 is the Director on the Board of Directors of Acquirer 1, Acquirer 2 and Acquirer 3. Acquirer 4 does not hold any position on the Board of Directors of any listed company

3.4.6. Acquirer 4 is a Managing Director on the Board of Directors of Cannizzaro Pharma Private Limited

3.4.7. Acquirer 4 confirms that there are no pending litigations (Source: Cubictree Technology Solution Private Limited) and contingent liabilities except the following and any liability coming from the following pending litigation will be of Acquirer 4 in his personal capacity and will not have any impact on the Target Company or Public Shareholders of Target Company or the Open Offer:

### **Litigations pending / Contingent liabilities against Acquirer 4**

- Search and Investigation was conducted by IT Department from October 5, 2023 to October 10, 2023, there is no communication from the IT Department till date post Search and Investigation.

3.4.8. Acquirer 4 has stated that there is no person acting in concert in relation to this Offer within the meaning Regulation 2(1)(q)(1) of SEBI (SAST) Regulations.

### **3.5. Declarations by the Acquirers**

3.5.1. On completing the Acquisition as per process and terms mentioned in SPA, the Acquirers have acquired the Sale Shares from the Sellers and will make application to the Stock Exchanges to classify them as Promoters of the Target Company, subject to compliance of the SEBI (LODR) Regulations, 2015.

3.5.2. The Equity Shares tendered in this Offer will be acquired by Acquirers.

3.5.3. The Acquirers have confirmed that they have not been categorized as a “Willful Defaulter” in terms of Regulation (2)(1)(ze) of the SEBI(SAST) Regulations nor they are categorized as a “Fugitive Economic Offender” in terms of Regulation (2)(1)(ja) of the SEBI (SAST) Regulations. Also, they have confirmed that they are not categorized as a Fraudulent Borrower in terms of Regulation 6B of the SEBI (SAST) Regulations.

3.5.4. As on the date of this LOF, all the Acquirers have financial resources to fulfill the obligations under this offer.

3.5.5. The Acquirers have not entered into any non-compete arrangement and/or agreement with the Target Company or its management.

3.5.6. Neither the Acquirers nor any of the entities with whom they are associated, are in securities related business and registered with SEBI as a Market Intermediary.

3.5.7. As on the date of the LOF, the Acquirers are in compliance with Regulation 6A & Regulation 6B of the SEBI (SAST) Regulations.

3.5.8. The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement and its related conditions.

3.5.9. Pursuant to the terms of SPA on completion of the Acquisition, the Acquirers have acquired the Sale Shares from Sellers on December 29, 2023 and informed the Stock Exchange where the equity shares of the Target Company are listed, the Target Company and the Manager to the Open Offer within 24 hours of the acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, they have also undertaken that they 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.

3.5.10. The Acquirers, its promoters, Persons in control and Directors have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

3.5.11. Post this Offer, the Acquirers stake may increase beyond the maximum limit of 75%, the Acquirers will be under a statutory obligation to bring down its stake to 75% of the equity share capital of the Target Company in such a manner and within such time as is permitted under the Securities Contracts (Regulation) Rules, 1957.

3.5.12. The Acquirers have undertaken that they will not sell the Equity Shares of the Target Company, if any held by them during the Offer Period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.

- 3.5.13. As on the date of this LOF, the Acquirers hold 2,43,53,733 Equity Shares in the Target Company, pursuant to consummation of the SPA and they will be classified as the Promoters of the Target Company, subject to compliance with the SEBI (LODR) Regulations.
- 3.5.14. The provisions of Chapter V of the SEBI (SAST) Regulations are applicable to the Acquirers and are in compliance with the same.
- 3.5.15. The Acquirers confirm that currently no litigations are pending pertaining to securities markets to which they have been made a party.
- 3.5.16. Pursuant to the consummation of the SPA, the Acquirers hold the majority stake and Management Control over the Target Company. Further the Acquirers have appointed its directors on the Board of the Target Company.
- 3.5.17. Other than the transactions detailed in paragraph 2.1 - Background to the Offer, pursuant to which the Acquirers have acquired Equity Shares, as on the date of the LOF, neither the Acquirers nor its directors or key employees have any relationship or interest in the Target Company. Pursuant to the consummation of the SPA, as on the date of the LOF, Acquirers have appointed additional directors on the board of the Target Company representing the Acquirers. There are no common directors on the board of directors of Acquirers and the board of directors of the Target Company.
- 3.5.18. The Acquirers have not acquired any Equity shares of the Target Company during the 12 (Twelve) months period prior to the date of the Public Announcement.
- 3.5.19. There is no other person acting in concert with the Acquirers for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirers in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations (“Deemed PACs”), such Deemed PACs are not acting in concert with the Acquirers for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

#### 4. BACKGROUND OF THE TARGET COMPANY

*(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)*

- 4.1. Coromandel Engineering Company Limited (hereinafter referred to as “CECL”), was originally incorporated as ‘The Coromandel Engineering Company Limited’ on September 3, 1947, under the Indian Companies Act, 1913 and forms part of the Murugappa Group of Companies. The name of the Company was changed to ‘The Coromandel Engineering Company Private Limited’ on April 14, 1956. The Company was then converted into a public company pursuant to which the name was again changed to ‘The Coromandel Engineering Company Limited’ on November 5, 1975 and thereafter to ‘Coromandel Engineering Company Limited’ on February 24, 2006 and a fresh certificate of incorporation consequent upon the change in name was obtained from the Registrar of Companies, Chennai. The Company has been allotted a Corporate Identification Number, L74910TN1947PLC000343, under the Companies Act, 1956.
- 4.2. There is no change in the name of the Target Company in the last three years.
- 4.3. The Registered office of the Target company is situated at Parry House, 5th Floor 43, Moore Street, Chennai - 600 001, Tamil Nadu, India
- 4.4. The Equity Shares of the Target Company are listed on BSE Limited since March 15, 2010 (Security ID: COROENGG; Scrip Code: 533167) and the ISIN of the Equity Shares of the Target Company is INE312J01012 and the shares are in-frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 4.5. The Equity Shares of the Target Company have been delisted from the Madras Stock Exchange limited, India with effect from March 27, 2015
- 4.6. The Target Company is engaged in construction, focusing on civil construction and property development. They provide integrated construction services in the industrial, commercial and residential, cement and auto/ancillary sectors which include (i) civil construction and related project management and (ii) allied services such as mechanical and electrical, plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. Their property development business focuses on real estate development of residential properties with most of the significant operations in the State of Tamil Nadu.
- 4.7. As on the date of this LOF, the Target Company is fully compliant with the listing requirements. Further, there has not been any penal/punitive action taken by the BSE, except

Sr.No	Action taken by	Details of Violation	Details of action taken E.g. Fines, warning letter, debarment etc.
1.	BSE Limited	Regulation 17 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Monetary Fine of Rs. 41,300/- (inclusive GST) for the quarter ended 30th June 2021 was imposed vide email dated 20 <sup>th</sup> August 2021 by BSE Limited. The company had paid the monetary fine on 27th August 2021 for a period of seven days from 24th April 2021 to 30th April 2021. The Company had 2 appointed a director on 1st May 2021 to ensure the minimum compliance of 6 directors on the board as per the Regulation.

- 4.8. As on the date of this LOF, there are no directions subsisting or proceedings pending against the Target Company and its Promoters, including the existing Sellers, and its directors and key managerial personnel, 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 the existing Seller, and its directors and/or key managerial personnel.
- 4.9. As on the date of this LOF, there is no subsidiary or holding company of the Target Company.
- 4.10. The Equity Share capital of the Target company is as follows:

Sr. No.	Particulars	Number of Shares	Aggregate amount of Share Capital	Voting Share Capital
1.	Authorized Equity Share capital	4,00,00,000 equity shares of Rs 10/- each and 32,00,000 preference shares of Rs. 100/- each	4072,00,00,000	100.00%
2.	Issued, Equity Share capital	3,32,77,278 Equity Shares of ₹ 10/- each	33,27,72,780	100.00%
3.	Subscribed and fully paid up Equity share capital	3,32,33,598 Equity Shares of ₹ 10/- each	33,23,35,980	100.00%

*Note: Issued Equity Share Capital includes 43,680 Equity Shares of Rs.10/- each issued on Rights basis, kept in abeyance due to a pending legal issue*

- 4.11. As on the date of this LOF, the authorized preference share capital of the Target company is Rs. 32,00,00,000/- (Rupees Thirty Two Crores only) consisting of 32,00,000 (Thirty Two Lakhs only) shares of Rs. 100/- (Rupees Hundred Only) each. The issued, subscribed and fully paid-up preference share capital of the Target company is NIL. Pursuant to the NCLT Order dated May 9, 2023, the Company has reduced its entire preference shares capital.
- 4.12. As on date of this LOF, there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures, depository receipts etc. convertible into Equity Shares on any later date. There are no partly paid up shares in the Target Company.
- 4.13. The Target Company has undertaken a Capital Reduction scheme - during the period of last 3 financial years - which was approved by the NCLT, Chennai vide order dated May 9, 2023. The Target Company reduced its paid-up preference share capital (28,35,630 preference shares of Rs. 100/- each against the loss).
- 4.14. Networth of the Target Company as on March 31, 2023 and June 30, 2023 are as follows:

Description	As at 31st Mar 2023	As at 30th Jun 2023
i) Equity Share capital	3323.36	3323.36
ii) Other Equity excluding non – controlling interests	(5371.79)	**(2696.25)
<b>Networth</b>	<b>(2048.43)</b>	<b>627.11</b>

\*\* Notes:

1. Due to the financial position, the Target Company was not able to meet its liabilities in respect of Preference shareholders. Hence the Board of Directors of the Target Company resolved that the Company's entire paid up

Preference Share Capital be reduced by extinguishing all rights to payments to be made to Preference Shareholders subject to the consent of the Preference Shareholders and other statutory authorities.

2. As stated in the notes to the accounts in the annual report of 2022-23, the Target Company had, based on the consent provided by the preference shareholders during the FY 2021-22 for complete extinguishment of their rights and entitlements with respect to the preference shares of the value of Rs.2835.63 lakhs allotted to them had approached the NCLT, Chennai, with a Scheme of Reduction of Preference Share capital.

The NCLT vide its order dated May 9, 2023, approved the said extinguishment of the entire obligation of the Company with respect to the Preference Share Capital of Rs.2835.63 lakhs.

As per the Board resolution of the Target Company, the extinguishment will come into effect from the date of approval of NCLT which is May 9, 2023.

Consequent to the extinguishment of the entire obligation towards the preference share capital as approved by the NCLT, the net worth of the Target Company as on June 30, 2023 has improved to Rs.627.11 Lakhs (Positive).

The above facts have been taken note of by the Directors and the necessary financial effect of the extinguishment of the preference share capital of the Target Company was given effect in the financial statements of the Quarter 1 of FY 2023-24

- 4.15. Target Company has complied with the compliances under Chapter V (Reg. 29, 30 and 31) of SEBI SAST Regulations.

- 4.16. Details of the Board of Directors of the Target Company as on this LOF is as follows:

Name of Directors	DIN/PAN	Designation	Date of Appointment
Mr. Padmanabhan Nagarajan	00110344	Independent Director	30/07/2014
Ms. Jalaja Gopalan	00149278	Independent Director	20/03/2015
Mr. Muthiah Nagalingam	03079727	Non-Executive, Independent Director	29/12/2023
Dr. R Ramkumar	01174069	Managing Director	01/01/2024
Mr. Nallusamy Elangovan	03293596	Non-Executive Director	29/12/2023
Mr. Sabaratnam Singaram	00042329	Non-Executive Director	29/12/2023

- 4.17. Pursuant to acquisition of the Sale Shares, the Acquirers hold majority of the Equity Shares by virtue of which they are in a position to exercise control over the management of the Target Company. Further, at the meeting of the board of directors of the Target Company held on December 29, 2023, Mr. Nallusamy Elangovan (Non-Executive Director), Mr. Sabaratnam Singaram (Non-Executive Director), Mr. Muthiah Nagalingam (Non-Executive, Independent Director) and Dr. R Ramkumar (Managing Director) have been appointed on the board of directors of the Target Company and the existing directors viz., Mr. Murugappan Muthiah Venkatachalam (Chairman), Mr. N. V. Ravi (Independent Director), Mr. Sridhar Adepalli (Non - Independent Director), Mr. Shamsuddin Sakkarai Mohammed (Non - Independent Director) have resigned from the board of directors of the Target Company.

#### 4.18. Financial Information

The brief financial details of the Target Company, based on the audited financial statements for the last 3 (Three) years ended March 31, 2023, March 31, 2022, March 31, 2021 and unaudited Financial Statements for the quarter ended June 30, 2023, are as follows:

##### Statement of Profit and Loss

Particulars	Quarter Ended 30.06.2023	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2021
	(Unaudited Limited Review)	(Audited)	(Audited)	(Audited)
Revenue from Operations	2,294.20	12,651.10	13,299.57	10,850.83
Other Income	-	4.92	3.82	8.67
<b>Total Revenue</b>	<b>2294.20</b>	<b>12,656.02</b>	<b>13,303.39</b>	<b>10,859.50</b>
Total Expenditure	2,475.50	13,239.85	14,066.20	11,906.59
<b>Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax</b>	<b>(52.91)</b>	<b>60.23</b>	<b>(17.17)</b>	<b>(104.39)</b>
Depreciation	39.13	222.82	274.12	294.26
Financial Costs	89.26	421.24	471.52	648.44
<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(181.30)</b>	<b>(583.83)</b>	<b>(762.81)</b>	<b>(1047.09)</b>
Less: Exceptional Items	21.21	198.49	198.49	305.37
<b>Profit/(Loss) before Tax</b>	<b>(160.09)</b>	<b>(385.34)</b>	<b>(564.32)</b>	<b>(741.72)</b>
Current tax	-	-	-	-
Earlier year Taxes	-	-	-	-
Deferred Tax	-	65.52	232.36	56.69
<b>Profit/(Loss) after Tax</b>	<b>(160.09)</b>	<b>(450.86)</b>	<b>(796.68)</b>	<b>(798.41)</b>



## Statement of Balance Sheet

(Rs. in Lakhs)

Particulars	Quarter ended 30.06.2023	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2021
	(Unaudited) Limited Review	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	302.34	336.11	492.36	726.25
Trade receivables	-	-	23.34	110.23
Investments	-	-	-	15.37
Intangible Assets – Under development	11.20	11.20	-	-
Deferred Tax Assets (Net)	1,107.59	1,107.59	1,173.11	1,405.47
Other non-current Assets	365.00	365.00	365.00	365.00
<b>Current Assets</b>				
Current Investment				
Inventories	1,652.92	1,365.15	1,576.00	2,181.62
Trade receivables	1,984.86	1,955.56	2,155.40	2,049.73
Cash and cash equivalents	2.80	1.49	0.86	3.56
Other current Assets	2,037.94	2,128.71	1,214.46	1,803.81
Other Financial Assets	129.08	125.45	146.17	138.52
<b>TOTAL</b>	<b>7593.73</b>	<b>7,396.26</b>	<b>7,146.70</b>	<b>8,799.56</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	3,323.36	3,323.36	3,323.36	3,323.36
Other Equity	(2,696.25)	(5,371.79)	(4,919.85)	(4,109.41)
<b>Net worth</b>	<b>627.11</b>	<b>(2,048.43)</b>	<b>(1,596.49)</b>	<b>(786.05)</b>
<b>Non-Current Liabilities</b>				
Borrowings	1,000.00	1,000.00	878.00	1,208.35
Preferential capital	-	2,835.63	2,835.63	2,835.63
Provisions	55.54	56.03	48.69	36.82

Other financial liabilities	-	-	-	-
<b>Current liabilities</b>				
Trade Payables – Micro & small enterprise	202.99	235.61	263.86	22.03
Trade Payables – Others	2,077.55	1,574.56	1,773.84	1,502.85
Borrowings	1,242.12	1,442.23	554.16	1,885.03
Other financial liabilities	1,589.63	1,462.55	1,339.07	1,564.62
Other current liabilities	798.79	838.08	1,049.94	530.28
<b>TOTAL</b>	<b>7,593.73</b>	<b>7,396.26</b>	<b>7,146.70</b>	<b>8,799.56</b>

### Other Financial Information

Particulars	Quarter ended 30.06.2023	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2021
	(Unaudited) Limited Review	(Audited)	(Audited)	(Audited)
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share (Basic) (in Rs.)	(0.48)	(1.36)	(2.40)	(2.40)
Return on net worth (%)	Negative	Negative	Negative	Negative
Book Value Per Share (in Rs.)	1.89	Negative	Negative	Negative

Major Contingent liability of the Target Company are as follows:

Particular	(Rs. in Lakhs)	
	Quarter ended 30.06.2023 (Unaudited Limited Review)	Year Ended 31.03.2023
<b>Contingent liability</b>		
1.1 Estimated amount of contracts remaining to be executed on capital account not provided for	Nil	Nil
1.2) a) Guarantees issued by the Company's bankers for which the Company has given counter guarantees. (Net of guarantees for which liability exists in the books of account)	1,676.68	1,906.51
1.2) b) Letter of credits issued by the Company's bankers for which the Company has given counter guarantees	Nil	Nil
1.3 Estimated liability on account of certain taxes and duties not provided for	-	-

i) Sales tax /VAT Andhra Pradesh VAT for 2006-07 & 2007-08 (against which Rs 32.01 L deposited with the Commercial Tax Officer, Hyderabad)		
Tamil Nadu-Entry tax for 2012-13 (Entire amount of Rs 2.99 Lacs deposited with the Commercial Tax Officer, Ranipet)	2.99	2.99
Kerala VAT for 2011-12 - tax on disputed turnover and interest thereon (Rs 0.66 Lacs paid, appeal filed)	5.60	5.60
Telangana Order passed by DC, VAT 2010-11 to 2012-13 (Appeal filed before SAT, Hyderabad). deposited Rs. 34.28 L , Stay obtained from HC for additional collection	-	-
<b>Odisha</b> 'GST - Trans1 Credit - Reversal - 2017-18 'Interest levied on unutilised Trans Credit (Paid Rs.0.50 L)	5.43	5.43
<b>Income Tax</b> 'U/s 147 of the IT Act, Order passed by the NeFAC, 'Error in Apparent of Records - Petition u/s 154 Filed. '(Appeal filed by the company before the 'Commissioner Appeals, Chennai)	-	-
'Suit filed by the Vendor against the Company 'in the Court of Telangana	52.01	52.01
'Suit filed by the Vendor against the Company ' in the court of Madurai high Court	-	6.00

Note: The financial information set forth above has been extracted from the Limited Review Quarter Results of June 2023, and Audited financial statements for the Financial Years ending March 31, 2023, 2022 and 2021, as audited by the statutory auditors of the Target Company

- 4.19. The trading in the shares of the Company has been restricted by the Stock Exchange pursuant to Graded Surveillance Measures framework (GSM) Stage 3 with effect from October 20, 2023 and is currently traded under GSM Stage 2. The trading data in the shares (as extracted from BSE Limited) of the Company for a period of one month preceding the said date are as follows:

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
18-Sep-23	36.61	38	36.61	36.9	37.7	7135	17	269323
20-Sep-23	38	38.09	37	37.82	37.8	10727	32	404953
21-Sep-23	37.7	37.75	36.4	36.4	37.3	655	10	24425
22-Sep-23	37.99	37.99	35.51	37.12	36.6	3833	28	140175
25-Sep-23	35.27	37.89	35.27	37.5	35.4	956	8	33854
26-Sep-23	36.5	37.5	36	36	36.1	4351	13	157135
27-Sep-23	35	35.95	34.2	35.29	34.7	56191	75	1948750
28-Sep-23	35.75	35.75	34.25	35.5	35.1	6100	8	214091
29-Sep-23	35.2	37.27	35.11	36.3	36.7	35752	33	1310747
03-Oct-23	38.11	38.11	37.55	38.11	38.1	158875	62	6053801
04-Oct-23	40.01	40.01	39	40.01	40	219557	143	8780821
05-Oct-23	40.01	40.01	38.01	38.01	38.2	8524	22	325814
06-Oct-23	36.18	36.18	36.11	36.11	36.1	2534	15	91508
09-Oct-23	37.91	37.91	37.25	37.91	37.9	200713	111	7607792
10-Oct-23	39.8	39.8	39.8	39.8	39.8	105602	34	4202959
11-Oct-23	41.79	41.79	41.79	41.79	41.8	87189	26	3643628

12-Oct-23	43.87	43.87	43.87	43.87	43.9	60124	37	2637639
13-Oct-23	46.06	46.06	46.06	46.06	46.1	96474	52	4443592
16-Oct-23	48.36	48.36	48.36	48.36	48.4	106940	58	5171618
17-Oct-23	50.77	50.77	50.77	50.77	50.8	120089	65	6096918
18-Oct-23	53.3	53.3	48.26	52.77	52.9	776801	305	41094009
19-Oct-23	50.14	50.14	50.14	50.14	50.1	52804	30	2647592

The Draft Letter of Offer in relation to the open offer was filed with SEBI on October 17, 2023. Further, the trading volumes had significantly increased during the period, 17<sup>th</sup> and 18<sup>th</sup> of October 2023 and the shares of the Company reached 52 Week High (Rs. 53.30) on October 18, 2023. The trading details of the Target Company, from October 20, 2023 are as follows:

Date	Open Price	High Price	Low Price	Close Price	WAP	No.of Shares	No. of Trades	Total Turnover (Rs.)
04-Dec-23	37.5	39	35.72	37.28	36.2	158680	160	5746183
28-Nov-23	37.6	40	37.6	37.6	37.7	121493	79	4575508
20-Nov-23	38.81	42.89	38.81	39.57	39.5	310030	226	12258730
13-Nov-23	40.85	40.85	40.85	40.85	40.8	10151	13	414668
06-Nov-23	43	43	43	43	43	10853	7	466679
30-Oct-23	45.26	45.26	45.26	45.26	45	1	1	45
23-Oct-23	47.64	47.64	47.64	47.64	47.6	1602	6	76319

- 4.20. The pre-Offer and post-Offer shareholding(\*) of the Target Company (based on the issued, subscribed, and paid-up Equity Share capital and Voting Share capital), is as per the shareholding pattern filed for the 3 months ending June 30, 2023, and assuming full acceptance under this Offer is as specified below:

Shareholders' Category	Shareholding & Voting Rights prior to SPA, Preferential Issue and Offer		Shares/Voting Rights agreed to be acquired which triggered off the Regulations		Shares/Voting Rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/Voting Rights after SPA, SSPC, Preferential Issue and Offer	
	(A)		(B)		(C)		(D)	
	No.	% <sup>^</sup>	No.	% <sup>^</sup>	No.	% <sup>^</sup>	No.	% <sup>^</sup>
<b>1) Promoter Group</b>								
a) Parties to the SPA	2,43,53,733	73.28	(2,43,53,733)	(73.28)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	4,11,621	1.24	Nil	Nil	Nil	Nil	4,11,621	1.24
<b>Total 1 (a+b)</b>	<b>2,47,65,354</b>	<b>74.52</b>	<b>(2,43,53,733)</b>	<b>(73.28)</b>	<b>Nil</b>	<b>Nil</b>	<b>4,11,621</b>	<b>1.24</b>
<b>2) Acquirers</b>								
Acquirer 1	Nil	Nil	64,53,931	19.42	22,44,151	6.75	86,98,082	26.17
Acquirer 2	Nil	Nil	48,77,043	14.68	16,95,838	5.10	65,72,881	19.78
Acquirer 3	Nil	Nil	46,20,070	13.90	16,06,484	4.83	62,26,554	18.74
Acquirer 4	Nil	Nil	84,02,689	25.28	29,21,771	8.79	1,13,24,460	34.08
<b>Total (1+2)</b>	<b>2,47,65,354</b>	<b>74.52</b>	<b>Nil</b>	<b>Nil</b>	<b>84,68,244</b>	<b>25.48</b>	<b>3,32,33,598</b>	<b>100.00</b>

<b>3) Parties to the SPA other than 1 (a) and 2</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>4) Public (other than parties to agreement and the Acquirers)</b>								
a. FIs/MFs/FIIs, FPI Cat I & II / Banks,	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others Public	84,68,244	25.48	Nil	Nil	(84,68,244)	(25.48)	Nil	Nil
<b>Total 4 (a+b)</b>	84,68,244	25.48	Nil	Nil	(84,68,244)	(25.48)	Nil	Nil
<b>GRAND TOTAL (1+2+3+4)</b>	<b>3,32,33,598</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>3,32,33,598</b>	<b>100.00</b>

4.21. **Details of the Compliance officer:**

**Name:** C Parvathi Nagaraj

**Registered Office Address:** Parry House, 5<sup>th</sup> floor, 43, Moore Street, Chennai – 600 001

**Contact No:** + 91 4425301700

**Email ID:** cscecl@cec.murugappa.com

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1 Justification of Offer Price

5.1.1 This Open Offer is pursuant to the SPA entered between the Acquirers and Sellers dated Friday, September 29, 2023

5.1.2 The Equity shares of the Target Company are presently listed on BSE Limited (“BSE”) having script code as 533167.

5.1.3 The equity shares of the Target Company are not frequently traded, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE. The annualized trading turnover of the equity shares traded during the twelve calendar months preceding September 29, 2023, the month in which the offer was triggered, is given below:

Name of the Stock Exchanges	Total no. of Equity Shares traded during twelve calendar months preceding to August 31 , 2023	Total Number of listed Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE Limited	22,84,472	3,32,33,598	6.87%

\*Source: [www.bseindia.com](http://www.bseindia.com)

5.1.4 The price of the Equity Shares of the Target Company as on the date of the PA was Rs. 36.30

5.1.5 The Offer Price of Rs 13.50/- (Rupees Thirteen and Paise Fifty Only) per fully paid-up Equity Share has been determined as per the provisions of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, taking into account the following parameters, being the highest of:

Sr. No.	Particulars	Price (INR per Offer Share)
1.	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e., the price per Equity Share under the SPA entered into by the Acquirers	INR 13.50
2.	The volume-weighted average price paid or payable for acquisitions, by the Acquirers, during the fifty two weeks immediately preceding the date of the Public Announcement	Not Applicable
3.	The highest price paid or payable for any acquisition, by the Acquirers, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
4.	The volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period and such shares being frequently traded.	Not Applicable <sup>(1)</sup>
5.	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and	INR 12.51 <sup>(2)</sup>
6.	The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not Applicable <sup>(3)</sup>

<sup>(1)</sup> Not applicable as the equity shares of the Target Company are infrequently traded.

<sup>(2)</sup> SSPA & Co., Chartered Accountants, (Firm Registration Number: 128851W) has undertaken an independent valuation exercise and issued a valuation report dated September 22, 2023, under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations. They have used Net Assets Value, Discounted Cashflow, and Market Price methods to arrive at a fair value of INR 12.51 (Rupees Twelve and Paise Fifty One only) per equity share of the Target Company.

<sup>(3)</sup> The provisions of Regulation 8(5) of the SEBI (SAST) Regulations are not applicable.

- 5.1.6 Since the date of the PA and as of the date of this LOF, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights split, etc., where the record date for effecting such corporate actions falls within 3 (Three) Working Days prior to the commencement of the Tendering Period of the Offer.
- 5.1.7 As of the date of this LOF, there is no revision in the Offer Price or the size of the Offer. The Offer Price and/or size of the Offer is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirers at any time prior to the commencement of the last 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) and 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall: (i) make corresponding increases to the escrow amount; (ii) make a public announcement in the same newspapers in which the DPS is published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office, of such revision.
- 5.1.8 If the Acquirers acquire Equity Shares during the period of 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 shareholders whose shares have been accepted in the Open 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, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2021, as amended from time to time or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 5.1.9 In the event of acquisition of the Equity Shares by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. As per the proviso to Regulation 8(8) of the SEBI (SAST) Regulations, the Acquirers shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

## **5.2 Financial Arrangements**

- 5.2.1 The Acquirers have made firm arrangements for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations. The acquisition will be financed through internal/personal resources and no borrowings from banks /FIs etc., are being made. The Acquirers have adequate resources to meet the financial requirements of the Offer.
- 5.2.2 Assuming full acceptance of this Offer, the total requirement of funds for this Offer is Rs. 11,43,21,294/- (Rupees Eleven Crore Forty Three Lakhs Twenty One Thousand Two Hundred Ninety Four only).

- 5.2.3 Mr. Jaganatha Kannan, Chartered Accountant, Partner of Kannan Associates. (Membership No. 022714), having office at No 447, Agraharam Street, Erode - 638001, Tel: 044 24953069, has certified and confirmed vide certificate dated September 28, 2023 that the Acquirers have sufficient liquid funds to meet the financial obligations for the Open Offer under SEBI (SAST) Regulations.
- 5.2.4 Acquirers and Manager to the Open Offer have entered into an Escrow Agreement dated September 29, 2023, with the Kotak Mahindra Bank Limited, (“Escrow Bank”) having its branch situated at Nariman Point, Mumbai, India (“Escrow Agreement”)
- 5.2.5 In accordance with Regulation 17 of the SEBI (SAST) Regulations, in pursuant to the Escrow Agreement, the Acquirers have opened an Escrow Account in the name and style of “CECL - Open Offer Escrow Account” (“Escrow Account”) with Escrow Bank.
- 5.2.6 Due to certain unforeseen circumstances beyond the control of the Acquirers mentioned below and despite having made persistent efforts and firm arrangements well in advance Acquirers were unable to transfer the Escrow Amount in the Escrow Account for Open Offer within the time limits prescribed under Regulation 17(1) of the SEBI (SAST) Regulations and up to the date of the DPS:
- The SPA was executed on Friday, September 29, 2023 and due to half yearly closing for Banks on Saturday, September 30, 2023, the Acquirers faced challenges in depositing funds in the Escrow Account and October 1, 2023 being Sunday and October 2, 2023 being a National Holiday, the offices of the Escrow Agent and the Acquirers’ Banks were closed and hence, the Acquirers were unable to deposit the funds in the Escrow Account on these days .
  - Owing to a family emergency due to sudden illness leading to the death of a key family member on Wednesday, October 4, 2023, both Directors of Acquirer 1, Acquirer 2 and Acquirer 3, Mr. Sundeep Anand Jegath Rakshagan (Acquirer 4) and Mr. S Jagathrakshakan had to travel to their native place and were not available on October 3, 2023 and October 4, 2023 and hence could not execute the necessary instructions for deposit of the funds in the Escrow Account.
  - The Income Tax Department (“IT Dept”) on October 5, 2023, carried out search and investigation operations on more than 40 premises linked to Mr. S Jagathrakshakan including residential and office premises of the Acquirers, information of which is available in the public domain. Due to the search and investigation process, both Mr. Sundeep Anand Jegath Rakshagan and Mr. S Jagathrakshakan were not reachable as their phones were confiscated and were not allowed to meet anyone and hence could not be contacted which again impaired their ability to execute the necessary instructions for depositing the funds in the Escrow Account on Thursday, October 5, 2023 being last working day to deposit funds as per Regulation 22(2) of the SEBI (SAST) Regulations. The search and investigation operations by the IT Dept continued for 6 days till October 10, 2023 at their premises and concluded only on October 19, 2023.
  - All the Bank Accounts of the Acquirers were frozen by the IT Dept during the period of the search and investigation operations. Part of the Bank Accounts of Acquirer 1, Acquirer 2 and Acquirer 3 were unfrozen only on October 13, 2023. Post which only, funds transfer was made to Open Offer Escrow Account in the following phased manner in accordance with the unfreezing of accounts by the IT Dept.
- 5.2.7 The Acquirers made a cash deposit of INR. 3,95,00,000/- (Indian Rupees Three crore and Ninety Five Lakhs only), on October 16, 2023 being a sum in excess of 25% (Twenty five percent) of the Offer Size.. The cash deposit has been confirmed by way of an email dated October 16, 2023 and confirmation letter dated October 17, 2023 by the Escrow Agent to the Manager to the Open Offer with a copy to the Acquirers..



- 5.2.8 Acquirers have made further cash deposit of balance amount of Rs. 7,48,21,294/- (Indian Rupees Seven Crores Forty Eight Lakhs Twenty One Thousand Two Hundred and Ninety Four only), to make the total cash deposit up to 100% of the Offer Size on October 20, 2023. The cash deposit has been confirmed by way of confirmation letter dated October 23, 2023, issued by the Escrow Bank to the Manager to the Open Offer with a copy to the Acquirers.
- 5.2.9 Acquirers have deposited total amount of Rs. 11,43,21,294/- (Indian Rupees Eleven Crores Forty Three Lakhs Twenty One Thousand Two Hundred and Ninety Four only) in the Escrow Account being 100% of the Offer Size. The Acquirers are, therefore, entitled to, consummate and consummated the Underlying Transaction (i.e Acquisition of Sale Shares from Sellers and Change of Management of Target Company) on December 29, 2023 prior to the completion of the open offer in accordance with Regulation 22(2) of the SEBI SAST Regulations.
- 5.2.10 Under the Escrow Agreement Acquirers have empowered and authorized the Manager to the Open Offer, to operate and realize the value of the Escrow Account in accordance with the SEBI (SAST) Regulations.
- 5.2.11 Based on the above, Manager to the Open Offer is satisfied with the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Open Offer confirms that firm arrangement for funds through verifiable means, to fulfil the Offer obligations are in place.
- 5.2.12 In case of any upward revision in the Offer Price or the Offer Size, the Acquirers shall deposit additional funds in the Offer Escrow account as required under Regulation 17(2) of the SEBI (SAST) Regulations.

## 6. TERMS AND CONDITIONS OF THE OFFER

- 6.1. This Offer is being made by the Acquirers to all the Public Shareholders: (i) whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) who are beneficial owners of the Equity Shares and appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (iii) who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer whether or not they have been registered as holders of the Equity Shares.
- 6.2. The Acquirers are making this Offer to all Public Shareholders to acquire up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two Hundred and Forty Four) Equity Shares, constituting 25.48% (Twenty Five Point Forty Eight Percent) of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, DPS and this LOF.
- 6.3. Pursuant to the terms and conditions of the SPA, it is hereby clarified that the Acquirers have completed the Underlying Transaction as per the provisions of Regulation 22(2) of the SEBI (SAST) Regulations.
- 6.4. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 6.5. 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 Offer prior to the date of closure of the Tendering Period.
- 6.6. The Offer Shares will be acquired by the Acquirers fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 6.7. Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.
- 6.8. None of the Equity Shares held by Public Shareholders are subject to a lock-in. Any Equity Shares which are currently locked-in can be transferred to the Acquirers subject to the continuation of the residual lock-in period in the hands of the Acquirers.
- 6.9. The Letter of Offer shall be sent to the Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date. The Identified Date for the Letter of Offer is January 2, 2024.
- 6.10. All Public Shareholders, (registered or unregistered), 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 (subject to Paragraph 7 below) to participate in this Offer.
- 6.11. The PA, the DPS, Corrigendum 1, Corrigendum 2 and this LOF will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer from SEBI's website.
- 6.12. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

- 6.13. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.14. The Acquirers reserves the right to revise the Offer Price upwards prior to the commencement of the last 1 (One) Working Day prior to the commencement of the Tendering Period, i.e., up to January 15, 2024, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the size of the Offer would be announced in the same newspapers where the DPS was published. The Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.
- 6.15. The acceptance of this Offer is entirely at the discretion of the Public Shareholders of the Target Company.
- 6.16. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirers or the Sellers for the purpose of this Offer.
- 6.17. None of the Acquirers, the Manager to the Open Offer or the Registrar to the Offer accept any responsibility for any loss of documents during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 6.18. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Open Offer.
- 6.19. The instructions, authorizations and provisions contained in the Form of Acceptance-*cum*-Acknowledgement constitute part of the terms of the Offer.
- 6.20. **Statutory and other approvals:**
- 6.20.1. As of the date of this LOF, to the best of the knowledge of the Acquirers, there are no statutory approval(s) required for the consummation of this Open Offer. However, if any statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, the Open Offer would also be subject to such statutory or other governmental approval(s) being obtained.
- 6.20.2. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that approvals which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirers, then the Acquirers shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirers (through the Manager to the Open Offer) 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.
- 6.20.3. Where the statutory approval(s) extend to some but not all Public Shareholders, the Acquirers shall have the option to make payment to Public Shareholders in respect of whom no statutory approval(s) are required in order to complete this Open Offer
- 6.20.4. In case of delay/ non-receipt of any approval which may be required by the Acquirers at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers 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 Acquirers to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

- 6.20.5. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer 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 held by them, 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 Equity Shares tendered in this Open Offer.
- 6.20.6. Subject to the receipt of the statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Open Offer within 10 (Ten) Working Days from the closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 6.20.7. By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India; and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Acquirers the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Acquirers for such regulatory filings, if required by the Acquirers.

## 7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 7.1. The Offer will be implemented by the Acquirers through the stock exchange mechanism made available by the Stock Exchanges in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/201 dated April 13, 2015, as amended from time to time, read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, as amended from time to time, and SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, as amended from time to time and SEBI master circular SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023, as amended from time to time and notices/ guidelines issued by Stock Exchanges and the Clearing Corporation in relation to the mechanism/ process for the acquisition of shares through the stock exchange pursuant to the tender offers under open offers, buy back and delisting, as amended and updated from time to time (“**Acquisition Window Circulars**”). The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on BSE and NSE in the form of the Acquisition Window.
- 7.2. BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).
- 7.3. The Letter of Offer with the Form of Acceptance-*cum*-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.
- 7.4. The PA, DPS, DLOF and the Letter of Offer will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer from SEBI’s website for applying in the Offer.
- 7.5. All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchanges during the Tendering Period. The Buying Broker may also act as Selling Broker for Public Shareholders.
- 7.6. The Acquirers have appointed Choice Equity Broking Private Limited (“**Buying Broker**”) as its broker for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

**Choice Equity Broking Private Limited**

**Address:** Sunil Patodia Tower, J B Nagar, Andheri East, Mumbai - 400099

**Telephone Number:** +91 22 67079832

**Fax Number:** NA

**Email:** [Jeetender.joshi@choiceindia.com](mailto:Jeetender.joshi@choiceindia.com)

**Website:** [www.choiceindia.com](http://www.choiceindia.com)

**Investor Grievance ID:** [ig@choiceindia.com](mailto:ig@choiceindia.com)

**Contact Person:** Mr. Jeetender Joshi

**SEBI Registration:** INZ000160131

**Number:** CIN: U65999MH2010PTC198714

- 7.7. Public Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers in order to mark the lien, before the closure of the Tendering Period. 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.

- 7.8. Modification/cancellation of orders will not be allowed during the Tendering Period.
- 7.9. The Acquisition Window will be provided by both NSE and BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialized form.
- 7.10. 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, or 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 law 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 Buying 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 following details:

7.10.1. **In case of Shareholder being an individual:**

(a) If 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 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):  
PAN card copy  
Address proof  
Bank details (cancelled cheque)
- iv. 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.

7.10.2. **In case of Shareholder is HUF:**

(a) If Shareholder is registered with 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 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):  
PAN card copies of HUF & KARTA

- Address proof of HUF & KARTA
- HUF declaration
- Bank details (cancelled cheque)
- iv. 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.

### 7.10.3. **In case of Shareholder other than Individual and HUF:**

#### (a) If Shareholder is KRA registered: Forms 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 Shareholder is not KRA registered: Forms required:

- i. KRA form
- ii. Know Your Client (KYC) form Documents required (all documents certified true copy):  
PAN card copies of company/ firm/trust  
Address proof of company/ firm/trust  
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 above forms and documents, in person verification may be required.**

**It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.**

### 7.11. **Procedure for Tendering Shares held in Dematerialized Form**

- 7.11.1. The Public Shareholders who are holding Equity Shares in electronic/ dematerialised 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.

- 7.11.2. 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 the Stock Exchanges. Before placing the order/bid, the Selling Broker will be required to mark lien on the tendered Equity Shares.
- 7.11.3. The lien shall be marked by the Selling Broker in the demat account of the Public Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by the depositories to the Clearing Corporation.
- 7.11.4. 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.
- 7.11.5. On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer.
- 7.11.6. Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
- 7.11.7. 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 the time provided by the Stock Exchanges on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 7.11.8. 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.
- 7.11.9. 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.
- 7.11.10. The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 7.11.11. Resident Public Shareholders holding shares in dematerialized form are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.
- 7.11.12. All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance-cum- Acknowledgement. The non-resident Public Shareholders holding Equity Shares in Demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance-cum-Acknowledgement along with the required documents to the Registrar to the Open Offer at its address given on the cover page of the Letter of Offer. The envelope should be super-scribed as “COROMANDEL ENGINEERING COMPANY LIMITED – OPEN OFFER”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance-cum- Acknowledgement.

## **7.12. Public Shareholders Who Are Holding Equity Shares in Physical Form**

- 7.12.1. As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI PR 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository w.e.f. April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/ CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.



- 7.12.2. The Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- (i) Form of Acceptance-cum- Acknowledgement duly completed and signed in accordance with the instructions contained therein, 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;
  - (ii) Original share certificate(s);
  - (iii) Valid share transfer deed(s) (Form SH-4) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
  - (iv) Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);
  - (v) Any other relevant document such as (but not limited to) powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)), Notarized Copy of death Certificate/ succession certificate or probated will, if the original shareholder has deceased, etc.
  - (vi) Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.
  - (vii) In addition, 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 relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents:
    - a. Valid Aadhaar Card;
    - b. Voter Identity Card;
    - c. Passport ;
    - d. Registered lease or sale agreement of residence;
    - e. Driving license;
    - f. Flat maintenance bill;
    - g. Utility bills like telephone bill (only landline), electricity bill or gas bill (not more than three months old);
    - h. Identity card / document with address, issued by any of the following: Central/State Government and its Departments, statutory / regulatory authorities, Public Sector Undertakings, scheduled commercial banks, public financial institutions;
    - i. For FII / sub account, Power of Attorney given by FII / subaccount to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address;
    - j. Proof of address in the name of the spouse; or
    - k. Client master list of the demat account of the holder / claimant, provided by the depository participant.
  - (viii) 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 for the Open Offer shall be subject to verification by the Registrar to the Offer, as per the SEBI (SAST) Regulations, applicable laws and any further directions issued in this regard.
- 7.12.3 Based on these documents, the Selling Broker(s) should place bids on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE and NSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the Stock Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.
- 7.12.4 The Selling Broker(s)/Public Shareholder must deliver the original share certificates relating to its Equity Shares and other documentation listed in paragraph 7.12.2 above along with the TRS either by registered post or courier or hand delivery to the Registrar to the Open Offer i.e. Bigshare Services Private Limited at the address mentioned

on the cover page within 2 (Two) days of bidding by the Selling Broker i.e. last date for receipt of documents by Registrar to the Open Offer is the Offer Closing Date (by 5.00 p.m.(IST)). The envelope should be super-scribed “COROMANDEL ENGINEERING COMPANY LIMITED – OPEN OFFER”. Share certificates for physical shares must reach the Registrar to the Open Offer on or before 5:00 p.m. on the Offer Closing Date.

- 7.12.5 The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 7.12.2 above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Open Offer. On receipt of the confirmation from the Registrar to the Open Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform. **Physical share certificates and other relevant documents should not be sent to the Acquirers, Target Company or the Manager to the Open Offer.**
- 7.12.6 All documents as mentioned above, shall be enclosed with the Form of Acceptance-cum- Acknowledgement, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company’s equity share certificate(s) enclosed with the Form of Acceptance-cum- Acknowledgement instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholder(s); (iii) If the Public Shareholder(s) tender Equity Shares, but the Registrar to the Open Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance-cum Acknowledgement and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.
- 7.12.7 Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- 7.12.8 The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum- Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum- Acknowledgement.
- 7.13. Procedure for tendering Equity Shares in case of non-receipt of Letter of Offer**
- 7.13.1. Persons 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. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
- 7.13.2. Public Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.
- 7.13.3. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company, as appearing in the list of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as on the Identified Date.

- 7.13.4. 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 ([www.sebi.gov.in](http://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.
- 7.13.5. Alternatively, in case of non-receipt of the Letter of Offer, the Public Shareholders holding Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform which will be made available by BSE or NSE before the closure of the Tendering Period.

#### **7.14. Acceptance of Shares**

- 7.14.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 7.14.2. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (One).
- 7.14.3. 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.

#### **7.15. Settlement Process**

- 7.15.1. On the closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Open Offer and the Registrar to the Offer, and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
- 7.15.2. The settlement of trades shall be carried out in the manner similar to settlement of trades the secondary market in accordance with the Acquisition Window Circulars. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
- 7.15.3. The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and for release of lien in case of rejection, non- acceptance or prorated acceptance.
- 7.15.4. For Equity Shares in dematerialised form accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to the respective Public Shareholder's account.
- 7.15.5. 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. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 7.15.6. For Equity Shares in physical form, the funds pay-out would be given to Public Shareholder's respective Selling Broker's settlement bank accounts for onward transfer to the respective Public Shareholder's account. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the

unaccepted Equity Shares in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form. Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders'/unregistered owners' sole risk to the sole/first Public Shareholder/unregistered owner.

- 7.15.7. The direct credit of Equity Shares shall be given to the demat account of the Acquirers as indicated by the Buying Broker.
- 7.15.8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirers. The lien marked against unaccepted Equity shares shall be released.
- 7.15.9. Any Equity Shares tendered under the Open Offer that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/ restricted from being transferred pursuant to any pending court cases/ attachment orders/ restriction from other statutory authorities; are liable to be rejected unless directions/orders of an appropriate court/tribunal/statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
- 7.15.10. Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer.
- 7.15.11. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 7.15.12. Public Shareholders who intend to participate in the Open 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 selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open 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 Acquirers and the Manager to the Open Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 7.15.13. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations.

#### **7.16. Note on taxation/ Compliance with tax requirements**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION 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 ACQUIRERS DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND 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.**

**7.16.1. 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 "situs" 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-resident 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.

**7.16.2. 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

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

- a) Shares held as investment (Income from transfer taxable under the head “**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).

7.16.4. **Shares held as investment:** As per the provisions of the Income Tax Act, where the shares are held as investments (i.e., capital asset), **income** arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act.

7.16.5. **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**”).

7.16.6. **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 the Finance (No. 2) Act, 2004') was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017TPL 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 (Please refer to Paragraph 7.14.9 for rate of surcharge and cess).
- 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.

7.16.7. **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 characterized as business income and taxable under the head “Profits and Gains from Business or 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) For persons other than stated in (A) and (B) 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 Non Resident Shareholders.

7.16.8. **Tax Deduction at Source**

**(a) In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Acquirers are 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 Acquirers 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 Acquirers if any tax demand is raised on the Acquirers on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirers, 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.

#### 7.16.9. 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: 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 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.
- (iii) In case of individuals, HUF, AOP, BOI: 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.
- (iv) 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 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.**

## 8. DOCUMENTS FOR INSPECTION

The copies of the following documents are regarded as material documents and are available for inspection at Daryanagar House, 69, Maharshi Karve Road, Marine Lines, Mumbai 400 002, Maharashtra, India, the Corporate Office of the Manager to the Open Offer from 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) on any working day, except Saturdays, Sundays and Public Holidays during the Tendering Period

Further, in light of SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 read with SEBI Circular SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020, copies of the following documents will be available for inspection to the Public Shareholders electronically during the Tendering Period. The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line [“Documents for Inspection – CECL Open Offer”], to the Manager to the Open Offer at [hiteshdoshi@fortress.co.in](mailto:hiteshdoshi@fortress.co.in); and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

1. Memorandum of Understanding between Manager to the Open Offer and the Acquirers.
2. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer 1, Acquirer 2 and Acquirer 3.
3. Net worth Certificate dated September 27, 2023 of Acquirer 4 issued by Mr. Jaganatha Kannan, (Membership No. 022714) partner of Kannan Associates, Chartered Accountants (FRN No. 0001736S), having their office located at No. 447, Agraharam Street, Erode – 638001, Tamil Nadu, India
4. Mr. Jaganatha Kannan, (Membership No. 022714) partner of Kannan Associates, Chartered Accountants (FRN No. 0001736S), having their office located at No. 447, Agraharam Street, Erode – 638001, Tamil Nadu India, confirming that the Acquirers have sufficient liquid resources to fulfil the obligations under the SEBI (SAST) Regulations vide Certificate dated September 28, 2023
5. Audited financial reports of the Target Company and the Acquirers for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and unaudited limited reviewed financials for the quarter ended as on June 30, 2023.
6. Undertaking from Acquirers, stating full responsibility for all information contained in the PA, DPS and the LOF.
7. Confirmation Letter from Kotak Mahindra Bank Limited confirming the amount deposited in the Escrow Account dated October 16, 2023 and October 20, 2023.
8. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company.
9. Copy of the consent letter from the Registrar confirming acting as Registrar to the open offer
10. Copy of the Share Purchase Agreement dated September 29, 2023, entered between the Sellers and the Acquirers, which triggered this Offer.
11. Copy of Escrow Agreement September 29, 2023, entered between Acquirers, Escrow Bank, and Manager to the Open Offer.

12. Fair Valuation Report issued by SSPA & Co., Chartered Accountants, (Firm Registration Number: 128851W)
13. Copy of the Detailed Public Statement dated Monday, October 9 2023, published on behalf of the Acquirers in the Newspapers.
14. Copy of Public announcement dated Friday, September 29, 2023.
15. Copy of the Corrigendum 1 dated October 26, 2023 and Corrigendum 2 dated December 31, 2023
16. Copy of SEBI Observation letter bearing reference number SEBI/HO/CFD/RAC/DCR-2/P/OW/52471/2023 dated January 1, 2024 on the DLOF filed with the Securities and Exchange Board of India.
17. Due diligence certificate dated Monday, October 16, 2023 submitted to SEBI by Fortress Capital Management Services Private Limited, Manager to the Open offer.
18. Undertaking from the acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the shareholders of the Target Company whose applications are accepted in the open offer.
19. Copy of agreement of Depository Participant for opening a special depository account for the purpose of the offer
20. A copy of the recommendation made by the committee of Independent directors of the Target Company

## 9. DECLARATION BY THE ACQUIRERS

9.1 For the purpose of disclosures in this LOF relating to the Target Company, the Acquirers has relied on the information provided by the Target Company and the Sellers or as available in the public domain and has not independently verified the accuracy of details of the Target Company or the Sellers. Subject to the aforesaid, the Acquirer 1, Acquirer 2, Acquirer 3, its respective directors and Acquirer 4, severally and jointly, accept full responsibility for the information contained in the PA, DPS and in this LOF in relation to them and the Offer.

9.2 The Acquirer 1, Acquirer 2, Acquirer 3, its respective directors and Acquirer 4, severally and jointly accept full responsibility for the information contained in this LOF in relation to them and the Offer and also for the obligations for the Acquirers as laid down in the SEBI (SAST) Regulations. The Acquirers are responsible for ensuring its compliance with the SEBI (SAST) Regulations.

9.3 The persons signing this LOF have been duly and legally authorized by the Acquirers to sign the LOF

For and behalf of Acquirers

Acquirer No 1	Acquirer No 2	Acquirer No 3	Acquirer No 4
Sd/-	Sd/-	Sd/-	Sd/-
<b>Accord Distillers &amp; Brewers Private Limited</b>	<b>Teyro Labs Private Limited</b>	<b>Jam Hotels and Resorts Private Limited</b>	<b>Mr. Sundeep Anand Jegath Rakshagan</b>

**Date:** January 5, 2024

**Place:** Chennai

**FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**  
**COROMANDEL ENGINEERING COMPANY LIMITED**  
**(FOR HOLDING EQUITY SHARES IN PHYSICAL FORM)**

*(Please send this Form with TRS generated by the Selling Broker and enclosures to Registrar, Big share Services Private Limited, at their address given in the Letter of Offer, as per the mode of delivery mentioned in the Letter of Offer)*

<b>OFFER OPENS ON</b>	Tuesday, January 16, 2024
<b>OFFER CLOSSES ON</b>	Tuesday, January 30, 2024

**To**  
**BigShare Services Private Limited**  
Office No S6-2, 6th Floor, Pinnacle Business park,  
Next to Ahura Center, Mahakali Caves Road,  
Andheri (East) Mumbai-400093, India.  
Tel No.: 022 6263 8200;  
Fax: N/A

**Dear Sir/ Ma'am,**

**Subject: Open Offer for Acquisition of up to 84,68,244 (Eighty Four Lakhs Sixty Eight Thousand Two Hundred and Forty Four) fully paid-up Equity Shares of face value of Rs. 10/- (“Rupees Ten only”) each (“Equity Shares”), representing 25.48% (Twenty Five Point Forty Eight Percentage) of the Voting Share Capital of Coromandel Engineering Company Limited (“Target Company”) at an Offer Price of Rs. 13.50 (Rupees Thirteen and Paise Fifty only) per Equity Share, from the Public Shareholders of the Target Company by Accord Distillers & Brewers Private Limited (“Acquirer 1”), Teyro Labs Private Limited (“Acquirer 2”), Jam Hotels and Resorts Private Limited (“Acquirer 3”) and Mr. Sundeeep Anand Jegath Rakshagan (“Acquirer 4”), pursuant to and in compliance with the requirements of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).**

I/We refer to the Letter of Offer Letter dated January 5, 2024 for acquiring the Equity Shares held by me/us in Coromandel Engineering Company Limited (“CECL”).

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

**Details of Public Shareholder:**

Name (in Block letters)	Holder	Name of the Public Shareholder(s)	PAN
(Please write names of the joint holders in the same order as appearing in the demat account)	First Second Third		
Contact Number(s) of the First Holder	Tel No. (with STD Code): Fax No. (with STD Code):		Mobile No.:
Full Address of the First Holder (with pin code)			
Email address of First Holder			
Date and Place of Incorporation (if applicable)			

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

**EQUITY SHARES HELD IN PHYSICAL FORM**

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
<b>Total Number of Equity Shares</b>					

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

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**ACKNOWLEDGEMENT SLIP**

**Subject: Open offer made by the Acquirers for acquisition of up to \_\_\_ Equity Shares representing \_\_\_% of the Voting Share Capital from the Public Shareholders of Coromandel Engineering Company Limited.**

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 until the time the Acquirers pay the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers 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 filed, 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 (FOA) – 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 Equity Shares should note that Physical Equity Shares will not be accepted unless the complete set of documents is submitted.

**FOR ALL PUBLIC SHAREHOLDERS**

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this 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 any 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 Offer and that I/we am/are legally entitled to tender the equity shares for 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 Acquirers 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 Acquirers any 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 Acquirers to effect this Offer in accordance with the SEBI (SAST) Regulations.

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

I /We authorize the Acquirers 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 Open Offer and the Registrar and terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us in the Demat account/share certificate(s) in respect of which the 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 Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.

In the 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 in trust for me/us till the date the Acquirers make payment of consideration as mentioned in the Letter of Offer 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 no taxes or other claims are 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 Acquirers for such income tax demand (including interest, penalty, etc.) and provide the Acquirers 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**

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FIIs / FPIs- Corporate	<input type="checkbox"/> FIIs / FPIs-Others	<input type="checkbox"/> Indian Company
<input type="checkbox"/> Indian Trust	<input type="checkbox"/> FVCI	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension/Provident Fund
<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership/ Proprietorship firm	<input type="checkbox"/> Financial Institutions	<input type="checkbox"/> NRIs/PIOs – non repatriable	<input type="checkbox"/> NRIs/PIOs – non repatriable
Others (Please Specify):				

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**All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:**

**Bigshare Services Private Limited**

Office No S6-2, 6th Floor, Pinnacle Business park, Next to Ahura Center, Mahakali Caves Road, Andheri (East) Mumbai-400093, India.

**Tel No.:** 022 6263 8200; **Fax:** N/A; **Website:** www.bigshareonline.com

**Contact Person:** Mr. Maruti Eate **Email:** openoffer@bigshareonline.com

**SEBI Registration Number:** INR000001385

**CIN:** U99999MH1994PTC076534

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 Reserve Bank of India.

The copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith

Copy of the 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 the case of shareholders holding Equity Shares in Demat form, the bank account details for interest payment, if any, will be taken from the record of the Depositories.

In case of interest payments, if any, by the Acquirers for the delay in payment of Offer consideration or a part thereof, the Acquirers will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.

Yours faithfully,

Signed and

Delivered:

	<b>Full Name(s) of the holders</b>	<b>Address and Telephone Number</b>	<b>PAN No.</b>	<b>Signature(s)</b>
<b>First / Sole Shareholder</b>				
<b>Second Shareholder</b>				
<b>Third Shareholder</b>				

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

Place: \_\_\_\_\_

Date: \_\_\_\_\_

## INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling up this Form of Acceptance cum Acknowledgement.
2. The Form of Acceptance cum Acknowledgement should be filled-up in English only.
3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4. Mode of tendering the Equity Shares pursuant to the Offer:
  - a. The acceptances of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of Coromandel Engineering Company Limited.
  - b. The Public Shareholders of Coromandel Engineering Company Limited to whom this Offer is being made, are free to Offer his / her / their shareholding in Coromandel Engineering Company Limited for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

## BANK DETAILS

Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

Public Shareholders holding Equity Shares in physical form, the bank account details for the purpose of interest payment, if any, will be taken from details provided by you. Also kindly attached copy of cancel cheque for below account for verification

<b>Name of the Bank :</b>	Branch :	City:
MICR Code (9 Digits):		IFSC:
Account Number (CBS Account):	Account Type (CA / SB / NRE /NRO / others) (please specify):	
Non Resident Public Shareholders are requested to state their NRO / NRE Bank Account Number as applicable based on the status of their account in which they hold Physical Equity Shares.		

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. For details please refer to instruction no. 13 & 14 given overleaf.

**Yours faithfully,**

Signed and Delivered:	Full Name	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place:

Date

## INSTRUCTIONS

**PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR THE MANAGER TO THE OFFER**

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
3. Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective selling member by indicating the details of Equity Shares they intend to tender under the Open Offer.
4. In case of Equity Shares held in joint names, names should be filled in the same order in this form as the order in which they hold the Equity Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
5. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
6. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
7. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
8. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System.
9. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they participate in the Open Offer before close of Tendering Period.
10. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF at paragraph 7.
11. The Letter of Offer along with the Form of Acceptance is being dispatched/ sent through electronic mail to all the Public Shareholders as of the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://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.
12. The Form of Acceptance or TRS is not required to be submitted to the Acquirer, Manager to the Offer or the Registrar to the Offer. Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum- Acknowledgment unless required by their respective selling broker. Equity Shares under lock-in will be required to fill the respective Forms of Acceptance-cum-Acknowledgment.
13. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the Public Shareholders holding Equity Shares in demat form. Interest payment, if any: In case of interest payments 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.
14. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserve the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
15. If the resident and non-resident Public Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OFFER, PLEASE REFER TO THE LETTER OF OFFER



**FOR PHYSICAL EQUITY SHARES**

Received from Mr./Ms./Mrs./M/s. \_\_\_\_\_

I / We, holding Equity Shares in the physical form, accept the Offer and enclose duly filled signed, and or stamped the original share certificate(s), transfer deed(s), and Form of Acceptance in 'market' mode, duly acknowledged by me/us in respect of my Equity Shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
<b>Total Number of Equity Shares</b>					

**FOR DEMAT EQUITY SHARES**

Received from Mr./Ms./Mrs./M/s. \_\_\_\_\_

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in 'market' mode, duly acknowledged by my/our Depository Participant in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

Stamp of Collection Centre	Signature of Official	Date of Receipt

Note: All future correspondence, if any, should be addressed to the Registrar at the address mentioned above. Registrar Name

Unit: Coromandel Engineering Company Limited – Open Offer

**Registrar Address, India**

**Telephone Number:**

**Fax No:**

**E-mail Address:**

**Website:**

**Contact Person:**

**SEBI Registration Number:**

**Validity:** Permanent

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## 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: 

L	9	9	9	9	9	M	H	1	9	7	4	P	L	C	0	1	7	6	5	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full): **COROMANDEL ENGINEERING COMPANY LIMITED**

Name of the Stock Exchange where the company is listed, (if any) : BSE Limited and National Stock Exchange of India Limited

### 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	₹ (Rupees _____) each	₹ (Rupees _____) each	₹ (Rupees _____) each

No. of Securities being Transferred		Consideration received (₹)	
In figures	In words	In words	In figures

Distinctive Number	From		
	To		

Corresponding Certificate Nos.			

### Transferors' Particulars

Registered Folio Number:

Name(s) in full	PAN No.	Signature(s)
1.		
2.		
3.		

### Attestation:

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

Signature of the Witness: \_\_\_\_\_

Name of the Witness: \_\_\_\_\_

Address of the Witness: \_\_\_\_\_

Pincode: \_\_\_\_\_

Transferees' Particulars		
Name in full (1)	Father's/ Mother's / Spouse Name (2)	Address, phone no. and Email Address (3)
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
		1. _____ 2. _____ 3. _____

Folio No. of Transferee	Specimen Signature of Transferee(s)
_____	1. _____
_____	2. _____
	3. _____

**Declaration:**

- (1) Transferee is not required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to the transfer of shares; or
- (2) Transferee is required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to the transfer of shares and the same has been obtained and is enclosed herewith.

Value of Stamp affixed: ₹ \_\_\_\_\_

**Stamps:**

<p><b>Enclosures:</b></p> <ol style="list-style-type: none"> <li>1. Certificate of shares or debentures or other securities</li> <li>2. If no certificate is issued, Letter of allotment</li> <li>3. Copy of PAN CARD of all the Transferees (For all listed Cos.)</li> <li>4. Others, Specify, _____</li> </ol>	
<p><b>For Office Use Only</b></p> <p>Checked by _____</p> <p>Signature tallies by _____</p> <p>Entered in the Register of Transfer on _____</p> <p>vide Transfer no. _____</p> <p>Approval Date _____</p> <p>Power of attorney / Probate / Death Certificate / Letter of Administration Registered on _____ at No. _____</p>	

**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